

## **National Pensions Act (347/1956)**

### **Chapter 1. General provisions**

#### Section 1 (9.7.2004/640)

A person is entitled to pension and pensioners' care allowance for old age, disability and unemployment as laid down in this Act. The time qualifying for national pension, counted from the age of 16 years, is determined in accordance with the Act on the Application of Residence-Based Social Security Legislation (1573/1993).

Sections 1a-1c were repealed by Act No. 1574/1993.

#### Section 1d (9.7.2004/640)

The provisions of this Act concerning a Finnish citizen also apply to an alien who has been granted asylum in Finland, or who has been granted within the refugee quota a residence permit in Finland by reason of his/her being a refugee, or who is a family member of those aliens considered to be a refugee and has been granted a residence permit on the basis of family relationship, as well as to a stateless person within the meaning of the Convention relating to the Status of Stateless Persons (Finnish Treaty Series 80/1968).

#### Section 2 (4.7.1963/427)

1. Insurance under this Act shall be handled by the Social Insurance Institution.
2. The Social Insurance Institution shall also handle health insurance under separate provisions.

### **Chapter 2. Insurance contributions**

#### Section 3 (17.8.2001/724)

An employer shall pay the employer's national pension contribution. The contribution of a private employer is graded on three levels in relation to the employer's depreciations on the acquisition costs of physical fixed assets and the wages and salaries paid by the employer. Separate provisions on the amount of the contribution, grounds for its specification and its payment are laid down by law.

Sections 4-6 were repealed by Act No. 994/1996.

Section 7 was repealed by Acts No. 328/1997.

Section 8 was repealed by Act No. 994/1996.

Section 9 was repealed by Act No. 427/1963.

Sections 10-14 were repealed by Act No. 486/1958.

### Section 15 (5.2.1982/103)

The recovery of unpaid insurance contributions is subject to the limitations laid out in the Act on Recovery of Taxes and Fees by Recovery Proceedings (367/1961).

Section 16 was repealed by the Act on Interest and an Arrears Charge on Tax Arrears (145/1976).

Section 17 was repealed by Act No. 486/1958.

Section 18 was repealed by Act No. 994/1996.

### Section 19 (5.12.1996/994)

The Social Insurance Institution is entitled to supervise the specification, imposition, collection and payment of insurance contributions and, as relevant, inspect taxation documents.

## **Chapter 3. Right to pension (5.2.1982/103)**

### Section 20

1. National pension is paid as:

1) old-age pension after the insured has reached the age of 65 or early old-age pension after the insured has reached the age of 62, in the latter case at a lower rate as laid down in section 25a, paragraph 2; a person who receives unemployment allowance under Chapter 6, section 9 (2) of the Unemployment Allowances Act (1290/2002) is however entitled to full old-age pension at the age of 62 years;

2) disability pension:

a) to a disabled person under 65; to a person under 20 only on the criteria laid down in section 39, paragraph 4; or

b) in the form of rehabilitation allowance in accordance with section 22, paragraph 1, or section 22b to a disabled person under 65; or

3) unemployment pension under section 22c when a long-term unemployed person born prior to 1950 has turned 60 but is not yet 65 and does not receive disability pension or early old-age pension under this Act. (639/2003)

2. Pensioner's care allowance is paid in accordance with section 30a. (979/1996)

Paragraph 3 was repealed by Act No. 564/1993.

Section 21 was repealed by Act No. 103/1982.

### Section 22 (30.12.1964/697)

1. Under this Act, persons are considered disabled if they, due to illness, defect or injury, are incapable of performing their regular job or other comparable employment considered to be suitable for them and to ensure a reasonable income having regard to their age, professional skills and other circumstances.

2. Persons permanently blind or unable to move or otherwise reduced to such a state of incapacity due to an illness, defect or injury that they cannot manage without another's help shall always be considered disabled.
3. Disability pension is granted indefinitely or, in the form of rehabilitation allowance under section 22b, for a specified period. (1487/1995)
4. If a pensioner in whose state of health no essential change has taken place and who is in receipt of a full disability pension under paragraph 1 that is granted indefinitely takes up gainful employment and earns EUR 588.66 a month or more, the person is not paid pension for the period in employment but the pension is left dormant. A pension whose amount differs from the amount of a full pension for a reason depending on section 25b of the Act is considered equal to a full disability pension. Survivor's and assistance pensions referred to in section 26 received by the person are not taken into account when determining if the person is considered to receive such full disability pension that can be left dormant. A pension can be left dormant for a minimum of six months and a maximum of five years. (70/2002)
5. The person whose disability pension is left dormant is not considered a pensioner for the period the pension is dormant. The person whose pension is left dormant in the way laid down in paragraph 4 is paid for the period a disability allowance referred to in section 2 (4) of the Disability Allowance Act (124/1988), though for 24 months at the most. The payment of a dormant pension is reinstated on condition that the employment has ceased or the earnings have been reduced to the extent that they remain under the income limit laid down in paragraph 4. If reinstatement of the dormant pension is not demanded by notification requested by the Social Insurance Institution and submitted to the Institution within five years from the date when the pension was left dormant, the pension is considered to have expired without a separate decision. (1028/2002)
6. Disability pension is not granted to an insured person who receives early old-age pension under this Act. (670/1985)
7. In addition to what is laid down in this section regarding the factors to be taken into account in the assessment of reduced work ability, the occupational character of the disability is emphasised in assessing the disability of a person aged 60 or more. The Social Insurance Institution will issue further instructions for the application of this paragraph. (633/2002)

Section 22a was repealed by Act No. 639/2003.

Section 22b (18.12.1995/1487)

1. Disability pension in the form of rehabilitation subsidy is granted to promote the applicant's rehabilitation for the period during which the person concerned is expected to remain disabled within the meaning of section 22, paragraph 1. When granting rehabilitation subsidy, the Social Insurance Institution shall ensure that a treatment or rehabilitation plan has been drawn up for the insured. Rehabilitation subsidy can also be granted to a disabled insured for the period during which a treatment or rehabilitation plan is being prepared.

2. What is provided elsewhere in the law about disability pension under the National Pensions Act and its recipients applies to rehabilitation subsidy under this Act and its recipients.

Section 22c (18.1.1985/53)

1. Long-term unemployed insured are entitled to unemployment pension under section 20, paragraph 1 (3), on condition that:

- 1) they meet the conditions for unemployment pension with regard to previous employment under the acts, pension guidelines or pension rules referred to in section 8, paragraph 4 of the Employees' Pensions Act or comparable other Act;
- 2) they present a certificate from an unemployment fund or the Social Insurance Institution proving that, under Chapter 6, section 7 or 9, of the Unemployment Allowances Act, they are no longer entitled to daily unemployment allowance under the said Act.; and (639/2003)
- 3) they present a certificate from an employment office proving that they are registered as unemployed job-seekers at the employment office and that they cannot be assigned a job which they could not refuse without forfeiting the right to daily unemployment allowance under the Unemployment Allowances Act.

(1271/1999)

2. Unemployment pension is granted indefinitely. However, unemployment pension is not paid:

- 1) for a calendar month during which the pensioner is unable to accept a job because of being abroad or a similar reason;
- 2) for a calendar month during which the pensioner is gainfully employed and earns at least the amount of euros referred to in section 4 c, paragraph 4 (2) of the Employees' Pensions Act; and (639/2003)
- 3) from the beginning of the next calendar month after the pensioner has refused to accept a job referred to in paragraph 1 lasting at least one month, assigned by an employment authority.

Unemployment pension is payable from the beginning of the month following the month during which the person fulfills the conditions for receiving the pension referred to in paragraph 1. If the person has received the certificate of the employment office referred to in paragraph 1 (3) later than within one month from the date of giving the certificate on daily allowance referred to in paragraph 1 (2), the payment of the pension starts from the beginning of the month following the month when the certificate of the employment office was given. However, no pension is paid without particular reason retroactively for a period longer than six months prior to applying for the pension. (1271/1999)

Contrary to what is provided in paragraph 3, unemployment pension is granted in cases referred to in section 4 c, paragraphs 12 and 13 of the Employees' Pensions Act from the beginning of the month following the month when unemployment pension was applied for. (633/2002)

### Section 23 (5.12.1996/979)

1. Finnish citizens resident in Finland are entitled to benefit under this Act if they have resided in the country for at least three years after reaching the age of 16. Persons other than Finnish citizens are entitled to benefit under this Act if they have resided in Finland after reaching the age of 16 for a continuous period of five years immediately before the benefit begins.

2. However, persons are entitled to benefit regardless of the three- or five year qualifying period laid down in paragraph 1 if their disability begins during residence in Finland and before five years have elapsed since they reached the age of 16.

### Section 23a (17.8.2001/724)

National pension is not paid if the amount of pension would be less than EUR 10.76 a month.

## **Chapter 3a. National pension (18.12.1995/1491)**

### Section 24 (26.11.2004/1023)

1. The full national pension is EUR 5795.76 a year in municipality category I and EUR 5558.04 a year in category II.

If the pensioner is married, the full national pension is EUR 5109.12 a year in municipality category I and EUR 4906.68 a year in municipality category II.

### Section 25 (5.2.1982/103)

Paragraphs 1 and 2 were repealed by Act No. 1491/1995.

3. National pension is granted in accordance with the category of the municipality where the person concerned resides when national pension begins. National pension to persons resident abroad is paid in accordance with municipality category II. (979/1996)

4. The Government places municipalities in two categories according to the cost of living there, for a period not exceeding six years at a time. (979/1996)

Paragraph 5 was repealed by Act No. 123/1988.

### Section 25a (5.12.1996/979)

1. If old-age pension begins later than the beginning of the next month after the person concerned turns 65, it is raised by 0.6% for each month of deferred payment. When the period of deferral is calculated, months for which the person concerned was not entitled to national pension are excluded. (1271/1999)

2. If national pension is granted in the form of early old-age pension, it is decreased by 0.4% for each month pension is paid before the beginning of the next month after the person concerned turns 65. (1271/1999)

3. The section is not applied to the care allowance for pensioners referred to in section 30a.

#### Section 25b (28.6.1993/547)

1. If the pension applicant has resided in Finland for less than 40 years between turning 16 and when the pension begins, the amount of pension is adjusted according to the person's period of residence in Finland, as laid down below. For the purpose of adjustment, the period of time is rounded downwards to the nearest full month. When the period of residence in Finland is calculated, the following periods are excluded:

- 1) time before the insured turned 16;
- 2) time after the insured turned 65; and
- 3) the period during which the insured received from a foreign state pension comparable to national pension or a continuous benefit referred to, or comparable to those referred to, in section 26, paragraph 1, except for survivors' pension or assistance pension.

2. Old-age pension is not adjusted according to the period of residence in Finland if the insured has resided in Finland for an aggregate period of at least 40 years after turning 16 but before the pension begins. Disability pension, unemployment pension and early old-age pension is not adjusted according to the period of residence in Finland if the insured has resided in Finland for at least 80% of the time between turning 16 and when the pension begins. Furthermore, in the cases referred to in section 23, paragraph 2, unemployment pension is not adjusted according to the insured's period of residence in Finland.

3. If the applicant for old-age pension has resided in Finland for less than 40 years, national pension is adjusted according to the applicant's period of residence in Finland by multiplying the amount of full pension by an adjustment factor. The adjustment factor is derived by dividing the person's period of residence in Finland by 40 years. (1491/1995)

4. Full disability pension, unemployment pension and early old-age pension are adjusted in accordance with the period of residence in Finland if the person concerned has resided in Finland for less than 80% of the time between turning 16 and when the pension begins. The adjustment factor applied in such cases is derived by dividing the actual period of residence in Finland by a factor equal to 80% of the time between the person's turning 16 and when the pension begins. (1491/1995)

5. Notwithstanding paragraphs 1 and 2, when unemployment pension is changed into disability pension or unemployment or disability pension into old-age pension, or when a person receiving pensioner's care allowance is granted the pension referred to in section 20, paragraph 1 (1) or (2), the new pension is adjusted according to the person's period of residence in Finland in the same manner as the benefit granted previously. (979/1996)

Section 25c was repealed by Act No. 328/1997.

#### Section 26 (5.12.1982/103)

1. When the amount of national pension is specified, the following continuous payments received by the person concerned are taken into account: (1491/1995)

- 1) pension and survivors' pension based on an employment or public service relationship, self-employment or service as an elected official, or an agreement with a municipality or joint municipal board concerning provision of family care on commission as referred to in section 1 of the Family Carers Act (312/1992) or informal care as referred to in section 27b of the Social Welfare Act; (979/1996)
- 2) accident pension, survivors' pension, life annuity and assistance pension based on statutory employment accident insurance; (979/1996)
- 3) disability and survivors' pension and loss-of-income compensation based on the various acts on motor liability insurance, though in the last-mentioned case, not before one year has elapsed since the accident; (979/1996)
- 3a) industrial injuries pension and life annuity under the Act on Rehabilitation Compensated under the Employment Accidents Insurance Act (625/1991) and compensation for loss of income and disability pension under the Act on Rehabilitation Compensated under the Motor Liability Insurance Act (626/1991); (914/1998)
- 4) assistance pension under the Military Injuries Act (404/1948), increases in the basic amount of life annuity under section 8, paragraph 2, and section 9 of the Military Injuries Act, and early retirement pension under the Early Front-Veterans' Pensions Act (13/1982); and (986/1988)
- 5) the basic amount of change-of-generation pension granted under section 6a of the Farmers' Pensions Act or the Change-of-Generation Pensions Act (1317/1990), the basic amount of farm closure compensation granted under the Compensation for Farm Closure Act (1330/1992) or the basic amount of farmers' early retirement aid granted under the Farmers' Early Retirement Aid Act (1293/1994); (724/2001)

though 50% of the portion of the aggregate amount of benefits referred to in subparagraphs 1-5 exceeding EUR 536 in one year is then deducted from the full national pension. (724/2001)

2. When the amount of national pension is specified, the following increases in the pension or accrued pensions are not taken into account, however:

- 1) pension accrued under the Employees' Pensions Act or comparable acts from employment after the person turned 63;
- 2) a child increase or rehabilitation increase in pension under the acts, pension rules or guidelines referred to in section 8, paragraph 4, of the Employees' Pensions Act;
- 3) an increase according to section 5 of the Act on Adjustment of Certain Employees' Pensions on Account of the Co-ordination of the Employees' Pensions and National Pensions (635/2002);
- 4) an increase in pension according to section 7g, paragraph 3 of the Employees' Pensions Act or a comparable increase in pension;
- 5) pension accrued under section 5, paragraph 1 (3) of the Employees' Pensions Act or a comparable pension or a pension accrued from employment during eligibility for old-age pension; or
- 6) a benefit under the Act on Pension Compensation Paid from State Funds for Periods of Care of a Child under Three Years or of Studies (644/2003); or
- 7) an increase based on the time after the person turned 68 referred to in section 5a of the Employees' Pensions Act or a comparable increase; a reduction referred to in section 5a, paragraph 2 of the same Act or a comparable reduction is however taken into account as income.  
(896/2004)

3. A pension that a person in receipt of old-age pension or early old-age pension under this Act, as referred to in the said point, would be granted if he/she were to retire immediately after turning 63 is considered comparable to benefits referred to in paragraph 1(1) above. (639/2003)

4. If the person concerned receives surviving spouse's pension under the Survivors' Pensions Act (38/1969) or front-veteran's pension at the time immediately preceding the grant of national pension and a benefit referred to in paragraph 1 had been taken into account as annual income altogether or in part when the amount of the pension in question was specified, the benefit in question is taken to represent the same amount of income as previously, though also taking account of the effect of index-tying on the amount of national pension. This rule is followed if the criteria for specifying the amount of benefit have not changed. These criteria are not considered to have changed because an unemployment pension has been changed into a disability pension, or because either one has been changed into old-age pension, unless the grounds influencing the amount of pension have changed for this reason. This paragraph applies only to benefits based on acts, decrees or public pension regulations. (979/1996)

5. A continuous benefit paid from abroad comparable to pension or compensation referred to in paragraph 1, national pension, or pension under the Survivors' Pension Act is also taken into account unless otherwise provided in international agreements binding on Finland. (979/1996)

Paragraph 6 was repealed by Act No. 639/2003.

7. When the amount of national pension is specified in cases where early disability pension is paid at the reduced rate of 50% under section 22a, paragraph 5, pension referred to in paragraph 1 (1), is taken into account at the rate of full early disability pension. (979/1996)

8. When the amount of disability pension is specified, pension which the person concerned would receive on the basis of a public service or employment relationship governed by public law if he/she were to retire on the said pension immediately after the payment of sick pay ends is considered comparable to the benefits referred to in paragraph 1. (1491/1995)

Paragraphs 9 and 10 were repealed by Act No. 979/1996.

Section 26a was repealed by Act No. 328/1997.

## Section 27

1. Contrary to section 26, the following benefits based on a pension contingency occurring before July 1, 1975: 1) old-age, disability or unemployment pension in accordance with the minimum conditions under the Employees' Pensions Act, Farmers' Pensions Act or Self-Employed Persons' Pensions Act (468/1969); 2) old-age, disability or unemployment pension under the Temporary Employees' Pensions Act (132/1962) or the Seamen's Pensions Act; 3) the basic amount of change-of-generation pension under the Farmers' Pensions Act; and

4) old-age, disability or unemployment pension under section 8, paragraph 4 (3)-(9), of the Employees' Pensions Act in so far as, separately for each such pension, the amount does not exceed 1/9% of the pensionable pay for each month taken into account when the amount of such pension was specified, though not beyond a total of 360 months; are taken into account as income when the amount of national pension is specified only up to the aggregate amount EUR 5550 in one year. In the case of pensions referred to in subparagraph 4, the full amount exceeding the limit referred to in the said subparagraph is taken into account as income.

2. If the pensioner is married, the sum in EUR referred to in paragraph 1 is EUR 4559 a year. (724/2001)

3. The amount of other income affecting the amount of national pension is deducted from the sums in EUR referred to in paragraphs 1 and 2, and the amount of income exceeding EUR 2091 is added to the remainder. (724/2001)

4. Paragraphs 1-3 also apply when assistance pension under the Military Injuries Act and the increases in the basic amount of life annuity granted under section 8, paragraph 2, and section 9 of the Military Injuries Act, beginning before January 1, 1983, are taken into account as income when the amount of national pension is specified. (18.12.1995/1491)

Section 27a was repealed by Act No. 328/1997.

Section 27b (5.2.1982/103)

1. The pension contingency referred to in section 27, paragraph 1, is considered to have occurred at the time when

- 1) the insured reached pensionable age;
- 2) the insured became disabled to a pensionable extent;
- 3) the first certificate by an employment authority granting entitlement to unemployment pension was given; or
- 4) the transfer of a farm took place for the purpose of receiving change-of-generation pension, or the conditional decision on grant of change-of-generation pension referred to in section 6g of the Farmers' Pensions Act was issued.

2. However, a change of unemployment pension into disability pension, disability pension into change-of-generation pension, or pension into old-age pension is not considered a new pension contingency.

Section 28 (5.2.1982/103)

1. When the amount of pension of a married insured is specified, the provisions of this Act concerning the pension of an unmarried insured apply if the person concerned does not cohabit with his/her spouse.

2. If a man and woman continuously cohabit in conditions similar to marriage without entering into matrimony, the provisions of this Act concerning married spouses may be applied when the amounts of pension of the persons concerned are specified.

Section 28a was repealed by Act No. 328/1997.

### **Chapter 3b. Child increase and care allowance (21.12.2001/1420)**

#### Section 29 (21.12.2001/1420)

1. If a child under 16 years of the pensioner or his/her spouse lives in the same household with the pensioner or if the pensioner otherwise is responsible for the subsistence of his/her child living elsewhere, a child increase is payable to the pension.
2. Child increase is paid to a pensioner referred to in paragraph 1 who is in receipt of:
  - 1) national pension;
  - 2) full disability pension, early disability pension, unemployment pension, old-age pension or early old-age pension based on employment relationship or public service relationship under the acts referred to in section 8, paragraph 4, of the Employees' Pensions Act, or other comparable pension;
  - 3) continuous industrial injuries pension, life annuity, disability pension or such compensation for loss of income that is payable when a year has passed since occurrence of a road accident which is granted on the basis of full disability under statutory accident insurance, different acts concerning motor liability insurance or the Military Injuries Act.
3. As a child of a pensioner is also considered a child referred to in section 41 of the Child Welfare Act (683/1983) living with the pensioner.
4. A pensioner is considered to be responsible for the subsistence of his/her child in the way referred to in paragraph 1 when the pensioner incurs through the subsistence of his/her child costs amounting to at least the amount of municipal maintenance allowance according to section 7, paragraph 1, of the Security of Child Maintenance Act (671/1998).
5. The amount of child increase is EUR 17.66 a month for each child referred to above.
6. Section 25a of this Act is not applied to child increase, and the amount of the child increase is not proportioned to the person's time of residence in Finland.
7. The entitlement to child increase ceases from the beginning of the month following the month when the conditions for receiving child increase are no more fulfilled.

Section 30 was repealed by Act No. 1491/1995.

#### Section 30a (2.5.1988/123)

1. To compensate for the necessary care and services or special expenses, a person whose functional capacity can be estimated to have decreased over a continuous period of at least one year due to an illness or injury, and who has turned 65 or receives disability pension under this Act, full disability pension or early disability pension under the acts referred to in section 8, paragraph 4, of the Employees' Pensions Act, or comparable pension on the basis of an employment or a public service relationship, or disability or early disability pension under the Members' of Parliament Pensions Act (329/1967) or the Act on the Right to Pension and Survivors' Pension in the Case of Members of the Government (870/1977) or special support on the basis of disability under the Act on Special Support for Immigrants (1192/2002) is paid pensioner's care allowance as follows: (1193/2002)

- 1) EUR 2968.68 a year if the person concerned needs continuous care and supervision or incurs a very significant amount of special expenses due to the illness or injury;
- 2) EUR 1484.40 a year if the person concerned needs daily time-consuming help from another person to manage many of his/her personal functions or a significant amount of regular guidance or supervision or incurs a significant amount of special expenses due to the illness or injury; or
- 3) EUR 596.28 a year if the person concerned regularly needs guidance and supervision or help by another person to manage his/her personal functions, domestic work and business outside the home, or incurs special expenses due to the illness or injury. (724/2001)

2. If the pensioner is entitled to care allowance for several criteria laid down in subparagraphs 1-3, the amount of care allowance to be paid is the sum in EUR under the subparagraph to which the combined effect of the different factors confers entitlement. (724/2001)

3. Contrary to what is provided in paragraphs 1 and 2, a person for whom it is absolutely necessary, on account of an appropriately diagnosed disease, to use gluten-free products, is paid a pensioner's care allowance of EUR 21 a month for dietary costs caused by the disease. (1061/2001)

4. If pension referred to in paragraph 1 other than disability pension under this Act is changed into old-age pension payable below the age of 65 and the person concerned receives pensioner's care allowance immediately before the old-age pension begins, payment of care allowance is continued as long as the other criteria for receiving it are met. (979/1996)

5. A person who is blind or unable to move is in any case entitled to pensioner's care allowance of at least the amount in EUR specified in paragraph 1(3). (724/2001)

6. Care allowance is not paid for a period of time for which the person receives disability allowance referred to in section 22, paragraph 5. (837/1998)

7. The provisions of this Act concerning disability pension apply to care allowance, as appropriate. (979/1996)

8. If the insured person is entitled to compensation on the basis of decreased functional capacity due to illness or injury or special expenses under the Employment Accidents Insurance Act (608/1948), Accident Insurance for Farmers Act (1026/1981), Military Injuries Act, Third Party Motor Liability Insurance Act (279/1959) or a comparable previous act or to comparable compensation from abroad, he/she is not entitled to care allowance because of the same injury. (981/1994)

#### Section 30b (5.12.1996/979)

1. If the person concerned receives disability pension, old-age pension or early old-age pension under this Act, the pensioner's care allowance is adjusted in accordance with the person's period of residence in Finland just like the said pension.

2. If the person concerned does not receive pension referred to in paragraph 1, pensioner's care allowance is adjusted in accordance with the applicant's period of residence in

Finland in compliance with section 25b, deriving the adjustment factor in accordance with paragraph 3 of the said section if the applicant has turned 65 when the care allowance begins, and otherwise in accordance with paragraph 4 of the said section.

3. The provisions of paragraphs 1 and 2 do not apply to the care allowance referred to in section 30a, paragraph 3. (1061/2001)

4. Care allowance is not paid if the amount would be less than EUR 10.76 a month. (724/2001)

Section 30c was repealed by Act No. 103/1982.

### **Chapter 3c. Changes affecting the right to pension (5.2.1982/103)**

#### Section 31

1. Disability pension is terminated if the pensioner recovers working capacity before reaching the pensionable age for old-age pension. Rehabilitation allowance may be terminated if the recipient has refused rehabilitation without good cause. (1487/1995)

2. Within a period of two years from the termination of pension, the Social Insurance Institution may order disability pension to be reinstated either on application or on the basis of acceptable evidence. In such cases, pension can be ordered to be paid retroactively for the period during which it was terminated or for part of that period. (639/2003)

3. Pensioner's care allowance is terminated or its amount is adjusted when a change affecting the right to receive care allowance or its amount has occurred in the recipient's circumstances or functional capacity. When assessing the change the development of medicine and care practices in the treatment of the illness or injury is taken into account. (1028/2002)

#### Section 31a (18.1.1985/53)

Paragraph 1 was repealed by Act No. 564/1993.

2. After becoming aware of a circumstance which prevents payment of pension under section 22c, paragraph 2, the Social Insurance Institution suspends the payments concerned as of the next payment period possible, if the reason preventing payment still exists. If pension should not have been paid at all under section 22c, paragraph 2, the Institution reclaims the amounts already paid. If pension is reclaimable for a period of three months or less, the Institution may, for a special reason, forgo any reclaim. Pension can also be reclaimed by debiting it from future payments.

3. Suspended unemployment pension is reinstated on application from the point in time when the insured is entitled to pension; however, pension is not paid retroactively for a period exceeding six months before the application nor, in the case of a refusal referred to in section 22c, paragraph 2(3), for the calendar month immediately following the refusal. A certificate from an employment office referred to in section 22c, paragraph 1 (3) must be appended to the application. If reinstatement of a suspended pension is not applied for

within a period of one year, the pension is considered to have expired from the date of its suspension, without a separate decision. (1271/1999)

Paragraph 4 was repealed by Act No. 1271/1999.

#### Section 32 (5.12.1996/979)

National pension payments are changed to comply with the category of the municipality where the pensioner currently resides as of the beginning of the next month after the pensioner has resided for a continuous period of six months in a municipality in a different cost-of-living category than the one according to which the pension was granted.

#### Section 32a (5.12.1996/979)

1. If income which has a bearing on the amount of national pension changes for some reason other than index-tying, the amount of national pension must be adjusted or the pension must be terminated. If the Social Insurance Institution is aware of circumstances warranting an increase in national pension, the increase may be granted without an application.
2. If a benefit referred to in section 26, paragraph 1, was taken into account when the amount of national pension was specified, that benefit is taken to represent the same amount of income when the amount of national pension is reconsidered, though also taking the index-tying of national pension into account. This rule is followed if the criteria for specifying the amount of the benefit have not changed. This paragraph only applies to benefits which are based on acts, decrees or public pension regulations.
3. If the pensioner enters into matrimony or the pensioner's marriage is terminated, the amount of national pension must be adjusted or the pension must be terminated. If income having a bearing on the amount of national pension has changed, paragraphs 1 and 2 shall also be observed.

Section 33 and the heading of Chapter 3d above it were repealed by Act No. 1491/1995.

Section 34 was repealed by Act No. 619/1991.

### **Chapter 4. Applying for and payment of benefits (5.2.1982/103)**

#### Section 35

1. Benefits under this Act are applied for from the Social Insurance Institution. The application must include the information that according to the law has to be taken into account when granting a benefit. Further provisions on what information must be given in the application are issued by Government decree. (682/2002)
2. If the person concerned is incapable of applying for pension personally or otherwise of representing his/her interests and rights concerning pension due to illness, infirmity or other such reason, and does not have a guardian, a close relative or other person mainly caring for the insured and acceptable to the Social Insurance Institution can exercise the right to speak on behalf of the insured in a case concerning pension interests. (1368/1999)

3. A recipient of disability or unemployment pension is paid old-age pension from the beginning of the next month after turning 65, without an application. (588/1978)

4. If the recipient of unemployment pension becomes entitled to disability pension, the unemployment pension is changed into disability pension. In cases where unemployment pension has been paid for the period for which the same person is subsequently granted disability pension, the unemployment pension payments in question are considered part-payments of disability pension. (499/1971)

5. The Social Insurance Institution decides whether to continue pension benefits granted for a specified period, after receiving the necessary evidence. The application to this effect must be made, or the evidence presented, within a period of one year from the expiry of the specified period. (214/1991)

### Section 36

1. Applicants for disability pension are required to submit to an examination by a physician or at a hospital appointed by the Social Insurance Institution for the purpose of assessing their disability. The Institution bears the costs of the examination.

2. As necessary, the Social Insurance Institution must ascertain that the opportunities for rehabilitation in the insured's case have been investigated before it decides on disability pension. If the pension application is rejected, the Institution shall see to it that the insured is given information about opportunities for rehabilitation and that the insured is referred to use rehabilitation services according to their individual needs or other services, in cooperation with the bodies organizing them. (505/2003)

3. The Act on Cooperation between Rehabilitation Providers (497/2003) shall also be observed. (505/2003)

### Section 37 (30.12.2003/1313)

Decision on a pension application can be made on the basis of the information available if the pension applicant refuses to provide information necessary for processing the application or to present evidence which can reasonably be expected of the applicant, or if the applicant for disability pension does not comply with an order to submit to a medical examination.

### Section 38

1. Pension is paid once a month in the manner laid down by decree.

2. The period of time for which a pension payment is made is termed a 'pension period'.

### Section 39 (30.12.1965/705)

1. Pension is paid from the beginning of the next month after the right to pension arises, though for a period exceeding one year prior to the pension application only if special

cause exists. The same applies to a part-payment or payment of an increase in pension. (1271/1999)

2. Upon the pensioner's death, the right to pension expires from the beginning of the next pension period following the day of death. When pension is terminated for some other reason, payments are terminated from the time specified in the decision.

3. The right to disability pension begins at the earliest as of the beginning of the next month following that during which the applicant was last entitled to daily allowance on the basis of illness, defect or injury under section 15, paragraph 1 or 3, of the Health Insurance Act or to rehabilitation allowance payable for the period of vocational rehabilitation under the Rehabilitation Allowance Act or an act or pension rules referred to in section 8, paragraph 4 of the Employees' Pensions Act. If the person concerned is not entitled to daily allowance, the right to disability pension begins only after a period equal to the one referred to in section 19 of the Health Insurance Act has expired. However, this does not apply to applicants whose disability began before they turned 15. If the insured is entitled to a benefit comparable to daily allowance under the Health Insurance Act from abroad, the benefit is taken into account in the same way as daily allowance under the Health Insurance Act when the starting date of pension is specified, though only for the maximum payment period specified in the Health Insurance Act. Pay corresponding to such a benefit can be considered comparable to a benefit. (190/2003)

4. For persons under 20 years the right to disability pension starts at the earliest as of the beginning of the next month following that during which the person's right to rehabilitation allowance payable under the Rehabilitation Allowance Act expired. A person who is taking part in vocational rehabilitation is not entitled to pension before the expiry of the period of payment of rehabilitation allowance. Pension can, however, be granted a person who, based on evidence, is not considered to be able to take part in rehabilitation or whose vocational rehabilitation has due to sickness been interrupted or terminated without result. (190/2003)

5. Contrary to paragraph 3, the right to disability pension begins from the beginning of the next month after the disability arises if the insured has become disabled while receiving unemployment pension. Likewise, a person who has turned 63 can be granted disability pension from the beginning of the next month after the disability arises, though at the earliest as of the date when the person was granted an old age pension specified in section 8, paragraph 4, of the Employees' Pensions Act or in the pensions rules. (639/2003)

Paragraph 6 was repealed by Act No. 564/1993.

7. If disability pension is granted retroactively, pension is not paid for the period for which the applicant has received rehabilitation allowance under the acts, pension guidelines, or pension rules referred to in section 8, paragraph 4, of the Employees' Pensions Act or under the Act on Rehabilitation Allowance (611/1991), or loss of income compensation under provisions concerning rehabilitation covered by employment accident insurance or motor liability insurance. This paragraph does not apply to disability pension under section 22, paragraph 2. (1487/1995)

Section 39 a was repealed by Act No. 639/2003.

#### Section 39b (8.8.1986/594)

1. A benefit under this Act is paid at an increased rate for a period of delay. The liability to pay an increased amount of benefit does not apply to that part of a benefit which is paid to another insurance or pension institution underwriting statutory insurance or to the Social Insurance Institution or an unemployment fund. (5.12.1996/979)
2. The annual rate of increase in a benefit equals the reference rate for the half-year period preceding the due date specified in section 12 of the Interest Act (633/1982), increased by 7 percentage units. The increase is calculated for each day of the period of delay. The period of delay is considered to begin when three calendar months have elapsed since the end of the month during which the insured submitted an application or other comparable claim to the Social Insurance Institution and presented such evidence as can reasonably be expected. The opportunities of the Institution to obtain evidence are also considered. If the final decision on pension or compensation referred to in section 26 has not yet been made, the period of delay is not considered to begin before one calendar month has elapsed since the Institution received a notification of the said pension or compensation. In the case of a subsequent payment of benefit on the basis of the same decision, the increase is calculated from the due date. (1028/2002)
3. If the decision of the Social Insurance Institution has been appealed, the appellate body may order that the increase be calculated from a date later than that laid down in paragraph 2 if the Institution shows that the applicant's circumstances have changed significantly during the appeal.
4. If a benefit could not be paid by the required date for a reason within the applicant's control, the Social Insurance Institution is not liable to pay an increased amount of benefit for a longer period than as of the date on which the Institution learned that the obstacle had been eliminated. If payment of benefit is delayed because of a statutory provision, obstruction of traffic, suspension of payment transactions or other such force majeure, the Institution is not liable to pay an increased amount of benefit for the period of delay caused by such obstacles.
5. An increase in a benefit under this section is not paid if the amount of increase in regard to pension, pension component or other benefit comes to less than EUR 1.47. (724/2001)

6. When this section is applied, a year is considered to comprise 360 days and a month 30 days.

#### Section 40 (18.12.1995/1491)

A pension payment is forfeited if it has not been withdrawn within a period of three years from the end of the calendar year during which it fell due.

#### Section 41 (23.12.1988/1217)

1. Payment of pension to a pensioner living abroad is suspended when pension has been paid for a period of one year from the end of the month during which the person

concerned left the country. However, if the pensioner had not resided in Finland for a period of one year immediately before moving abroad, payment of pension is suspended from the beginning of the next month after the person concerned moved abroad. If the pensioner has resided in Finland for a continuous period of at least 10 years immediately before the pension begins or if residence abroad is necessary due to the pensioner's or a close relative's illness, pension can be paid on application for a specified or indeterminate period in spite of the residence abroad. (1574/1993)

2. If the pensioner moves back to Finland, payment of pension suspended under paragraph 1 is reinstated from the beginning of the next month following said return to Finland. However, pension is not paid retroactively for a period exceeding six months before the pensioner notified the Social Insurance Institution of moving back to Finland.

3. What is provided above concerning suspension of pension payments to a pensioner living abroad does not apply to a person who was granted pension while already residing abroad.

#### Section 42

1. Payment of pension to a pensioner committed to a penal institution or to a pensioner committed to an institution for preventive detention for dangerous recidivists referred to in section 1 of the Act on Preventive Confinement of Dangerous Recidivists (317/1953) to serve a sentence is suspended after the pensioner has served a period of three months of the prison sentence or of imprisonment for non-payment of fines to be served in conjunction with the prison sentence. If the period spent in remand custody immediately before serving the sentence is deducted from the sentence, payment of pension is suspended correspondingly after three months of the aggregate period comprising the sentence and the deduction have elapsed, but not before the beginning of the next month after the computed starting date of the sentence. (682/2002)

2. Payment of pension suspended under paragraph 1 is reinstated from the beginning of the next pension period after termination of the imprisonment or institutional care.

3. Pension for the period during which payment is suspended under paragraph 1 can be ordered to be paid altogether or in part to the pensioner's spouse, children under 16 years of age and disabled children over 16 years of age if their maintenance depends on the pension.

Paragraph 4 was repealed by Act No. 705/1965.

#### Section 42a (31.1.1995/116)

1. Care allowance is not paid to a pensioner in continuous public institutional care or comparable care (institutional care) for a care period beyond three months.

2. Institutional care refers to service including upkeep, treatment and care provided in a hospital, welfare institution or other comparable unit.

3. Institutional care is public if the care is:

1) provided in a welfare or health care institution maintained by the State, a municipality

or a joint municipal board;

- 2) provided in another institution providing care at the State's expense;
- 3) provided in another unit of the State, a municipality or a joint municipal board continuously contributes to financing the care by providing the unit or the party running it with aid, assistance or compensation the amount of which exceeds half the total care costs;
- 4) organized by the municipality in accordance with section 4, paragraph 1 or 4, of the Act on Planning and Government Grants for Social Welfare and Health Care (733/1992) or through an arrangement which in fact complies with the said provisions; or
- 5) provided in a unit run by a private service-provider if a municipality continuously contributes to financing the care by providing the person cared for with social assistance covering at least half the care charge.

4. The Ministry of Social Affairs and Health will issue further orders on when to consider the care referred to in paragraphs 1-3 as institutional care and when care should be considered continuous and public. Furthermore, the Ministry of Social Affairs and Health will issue orders concerning the negotiation procedure between the Social Insurance Institution and the municipalities, and the related procedure for obtaining opinions.

#### Section 42b (5.12.1996/979)

1. If the recipient of national pension is in care referred to in section 42a, that part of national pension payable to the recipient which exceeds EUR 254.31 a month in municipality category I and EUR 234.35 a month in category II, and in the case of a married recipient, EUR 229.70 a month in category I and EUR 212.64 a month in category II, is not paid for a care period beyond three months. If payment of national pension is deferred or begins earlier, as referred to in section 25a, the said sums in EUR are increased, in the case of a deferred payment, or decreased, in the case of an earlier payment, by a certain percentage. (1023/2004)
2. If the pensioner in care referred to in section 42a is paid housing allowance under the Pensioners' Housing Allowances Act (591/1978), paragraph 1 does not apply. (328/1997)

#### Section 43 (30.12.1999/1368)

1. If the municipality has arranged institutional care or family care for the person entitled to pension, the Social Insurance Institution shall at the request of the municipality pay the pension due to the person for the period of institutional care or family care to the municipality to be used in the manner specified in section 14 of the Act on Client Fees in Social Welfare and Health Care (734/1992).
2. In the case referred to in paragraph 1 the pension is paid to the municipality only on condition that it has notified the Social Insurance Institution at least two weeks before the pension payment day of its right to the pension concerned.

#### Section 43a (27.6.2003/639)

1. If the insured has received unemployment benefit under the Unemployment Allowances Act or training allowance under the Act on Public Employment Service (1295/2002) or daily allowance for illness, defect or injury under the Health Insurance

Act for the same period for which he/she is granted pension retroactively, the amount of pension paid retroactively shall be withheld to the Social Insurance Institution or paid to the unemployment fund corresponding to the amount paid by them.

2. Pension is only paid to the unemployment fund if the notification referred to in Chapter 11, section 14 (2) of the Unemployment Allowances Act has been made at the latest two weeks before the pension payment day.

#### Section 44 (30.12.1999/1368)

1. If payment of pension to the pensioner personally cannot be considered to meet its purpose due to the pensioner's way of life, illness or some other special reason, and the pensioner has not been assigned a guardian, the Social Insurance Institution can with the pensioner's consent decide that the pension is to be paid to the organ referred to in section 6, paragraph 1, of the Social Welfare Act (710/1982) of the municipality where the pensioner is living to be used for the maintenance of the pensioner and his/her dependants as referred to in section 42. The pension paid in this manner shall not be used against the pensioner's express consent for any other purpose than for the care provided during the month for which the pension is paid. When the pensioner is in care referred to in section 43, the pension shall be used as specified in section 43.

2. A proposal on payment of pension in accordance with paragraph 1 can be made by the pensioner, his/her spouse, some other relative, the person who mainly cares for the pensioner, or the municipal multi-member organ concerned.

#### Section 45 (4.11.1960/466)

1. Payment of pension or part of it can be suspended in the interim, pending a final decision on the case, if there is justified cause to assume that the pension should be terminated or its amount decreased, or if the obligation to verify the right to pension is not complied with. Rehabilitation allowance can be suspended in the same way if there is justified cause to assume that the recipient has refused rehabilitation without good cause and that the rehabilitation allowance should be terminated. An interim decision cannot be appealed. (1487/1995)

2. If an appeal is pending concerning pension or compensation regarded as income when the amount of national pension is specified, national pension can be paid in the interim even if a final decision on the right to the said other benefit has not been made. If pension or compensation considered as income when the amount of national pension is specified is granted retroactively in such cases, the Social Insurance Institution is entitled to charge the excess amount of national pension paid against the retroactive payments of pension or compensation. The Institution is entitled to charge the excess amount of national pension also if it continues the payment of a rehabilitation allowance granted on the basis of appeal. The Institution must notify the employee pension institution or other relevant institution at the latest two weeks before the payment date of the pension or compensation that the pension or compensation or a part thereof must be paid to the Institution. (896/2004)

3. If national pension has been paid for the same period for which the employee pension institution rectifies or adjusts the amount of pension in accordance with the acts, pension

rules or pension guidelines referred to in section 8, paragraph 4 of the Employees' Pensions Act, or after the rectification decision grants continued rehabilitation allowance, the Social Insurance Institution can charge the pension paid retroactively from the employee pension institution corresponding to the amount of national pension paid in excess. The same applies to pensions and benefits referred to in section 26, paragraph 1 (2), (3) and (3 a). (896/2004)

4. If payment of pension suspended under paragraph 1 is reinstated, the provisions concerning retroactive payment of pension apply. (886/1994)

## Section 46

1. Provisions concerning a pensioner's duty to disclose changes in working capacity or other circumstances which may have a bearing on his/her right to pension or the pension payments will be issued by decree. (5.2.1982/103)

2. Recipients of disability pension are obliged to submit to an examination by a physician or in a hospital appointed by the Social Insurance Institution in order to reassess their working capacity. The Institution bears the costs of the examination.

### **Chapter 4a (9.8.2002/682)**

#### **Access to and supplying of information**

##### Section 46 a (9.8.2002/682)

1. Notwithstanding the confidentiality provisions and other restrictions on access to information, the Social Insurance Institution has, for handling the benefits it is assigned to administer, the right to obtain:

- 1) the necessary information referred to in section 4, paragraph 1 (1)-(4) and paragraph 2 (1) of the Population Information Act (507/1993) and any changes to it from the population register authorities;
- 2) identification information on aliens and their family members who have immigrated to Finland, information on their family status and residence permits and any changes to them from the Finnish Directorate of Immigration;
- 3) information on decisions on pension or compensation and any changes in their amount as well as the amount of pension accrued until the age of 63 years from the Finnish Centre for Pensions, pension and insurance institutions and other payers of pension or other compensation; such information includes personal data, type of pension or compensation, grounds for determining them, grounds for increase and its amount, and the period for which the pension or compensation is payable; no information needs to be supplied on index adjustments based on section 9 of the Employees' Pensions Act, however; (896/2004)
- 4) information on whether the person is covered by Finnish residence-based social security on the basis of an inter-state agreement binding on Finland from the Finnish Centre for Pensions;
- 5) personal data and identification data on the persons who have applied for adult education subsidy as well as on the kind of the decisions on adult education subsidy concerning them, the period for which subsidy is granted and its amount, as well as any changes to them from the Education and Redundancy Payments Fund.

2. In addition, the Social Insurance Institution has, notwithstanding the confidentiality provisions and other restrictions on access to information, the right of access to the information needed annually for handling the benefits that have been assigned to be administered by it on earned income and capital income, deductions on work-related expenses, natural deductions, criteria for yield of forest and property, and separately on shares of stock in a housing corporation and estates with taxable values from the tax administration authorities, as well as other information in possession of the tax administration authorities that is needed for determination of benefits.

#### Section 46b (9.8.2002/682)

1. The Social Insurance Institution and the appeal bodies referred to in this Act have the right of access, notwithstanding the confidentiality provisions and other restrictions on access to information, to the information necessary for deciding on a pension or benefit under consideration or such necessary information that must otherwise be taken into account for the execution of the duties laid down in this Act or in an agreement on social security binding on Finland or another international statute on social security from:

- 1) the State and municipal authorities and other corporations governed by public law;
- 2) the Finnish Centre for Pensions, pension and insurance institutions and other bodies granting or paying pensions or other compensations;
- 3) the Finnish Patient Insurance Centre and the Finnish Motor Insurers' Centre; and
- 4) employers and unemployment funds.

2. In addition to what is laid down in paragraph 1 the Social Insurance Institution and the appeal bodies referred to in this Act have the right to obtain at request, for the purpose of deciding on a pension or benefit, opinions and necessary information on the applicant's patient records, rehabilitation, health state, treatment and working capacity from physicians and other persons referred to in the Health Care Professionals Act (559/1994) and from health care units referred to in section 2 (4) of the Act on the Status and Rights of Patients (785/1992), or from providers of social services or other care institutions, unless the applicant for pension or benefit does not him/herself supply the information concerned.

3. The Social Insurance Institution and the appeal bodies referred to in this Act have the right to obtain the information referred to in paragraph 1 and section 46a free of charge. If the information referred to in section 46a is needed in a certain form and that will cause the supplier of information essential additional costs, the costs shall however be compensated. In addition, health care professionals referred to in the Health Care Professionals Act and providers of social services have the right to charge a reasonable fee for the opinions they give based on the obligation to disclose information laid down in paragraph 2.

#### Section 46c (9.8.2002/682)

1. Notwithstanding the confidentiality provisions and other restrictions on access to information, the Finnish Centre for Pensions is obliged to supply to the Social Insurance Institution, for the administration of benefits under this Act:

- 1) information on the amount of estimated earnings-related pension for the application procedure for disability pension; and

2) information about the amount of old-age pension accrued until the age of 63 years as referred to in section 26, paragraph 3 of this Act.  
(896/2004)

2. Institutions referred to in section 42a of this Act and bodies referred to in section 6 of the Social Welfare Act (710/1982) are obliged to inform the Social Insurance Institution of placement of the benefit recipient in institutional care and termination of such care. This information must be supplied if the care is estimated to continue at least three months or has continued for two months and still continues.

3. Penal institutions and institutions for preventive detention referred to in section 1 of the Act on Preventive Confinement of Dangerous Recidivists are obliged to inform the Social Insurance Institution when the prison sentence of a person starts and is terminated. This information shall be supplied in regard to a pensioner who has started to serve a prison sentence of more than three months or a sentence of imprisonment for non-payment of fines to be served in conjunction with the prison sentence as well as in regard to his/her commitment to an institution for preventive detention for dangerous recidivists for more than three months. Information shall also be given if the period spent in remand custody immediately before serving the sentence is deducted from the sentence, and the aggregate period comprising the sentence and the deduction exceeds three months. A notification regarding a person in receipt of unemployment pension shall be made immediately when the person is committed to a penal institution or institution for preventive detention.

4. The Social Insurance Institution is entitled to obtain the information referred to in this section free of charge.

#### Section 46d (9.8.2002/682)

Notwithstanding the confidentiality provisions and other restrictions on access to information, the Social Insurance Institution has the right to obtain at request, for the purpose of the negotiation procedure referred to in section 42a, such information about the operations, facilities and number of staff of the care unit, about the content, quality and volume of the care provided there, about the agreement on care and compensation payable for care as is needed for deciding on the matter. Furthermore, the Social Insurance Institution has the right to obtain at request, within the said negotiation procedure, such confidential information from patient records and on the health state, medicines and income of the person cared for from the municipal social and health care authorities or institutions or from the State or private health care unit concerned as is needed for deciding on the matter under consideration. What is provided above concerning the right of the Social Insurance Institution to obtain confidential information also applies to the Ministry of Social Affairs and Health.

#### Section 46e (9.8.2002/682)

Notwithstanding the confidentiality provisions and other restrictions on access to information, the Social Insurance Institution has, in addition to what is provided in the Act on Openness of Government Activities (621/1999), the right to supply information to:

- 1) the Finnish Centre for Pensions, pension and insurance institutions and other bodies granting or paying pensions or compensations concerning pension decisions according to

the National Pensions Act as is necessary for administering the benefits they are in charge of;

2) the Finnish Centre for Pensions and pension institutions, as well to as authorities and institutions of the countries that have concluded with Finland an agreement on social security and those covered by the Council Regulation (EEC) No. 1408/71, as is necessary for the implementation of the agreements on social security and the above Regulation as well as for the enforcement of other social benefits administered by them.

#### Section 46f (9.8.2002/682)

When handling a benefit under this Act the Social Insurance Institution has the right to use in individual cases such information as it has obtained for handling of its other tasks, if it is obvious that it affects a benefit under this Act and it shall according to the law be taken into account in decision-making, and if the Institution would even otherwise be entitled to obtain the information separately.

#### Section 46g (9.8.2002/682)

Notwithstanding the confidentiality provisions and other restrictions on access to information, the Social Insurance Institution has the right to forward information it has obtained based on section 46a, paragraph 1 (1) and (3) to a receiver of information that is entitled to obtain the information under the law.

#### Section 46h (9.8.2002/682)

1. Notwithstanding the confidentiality provisions and other restrictions on access to information, the Social Insurance Institution is, in addition to what is provided in section 29, paragraph 3, of the Act on Openness of Government Activities, entitled to establish on the conditions laid down in the paragraph a technical user connection to the confidential information in its register that it is entitled under sections 46e, 46g and 79 of this Act to supply to the receivers of information referred to in the sections.

2. What is provided in this section on establishing a technical user connection and supplying information through it also applies to the right of the Social Insurance Institution to obtain by means of the connection confidential personal information referred to in sections 46a, 46b, paragraph 1, and 46b, paragraph 2, as far as it concerns health care units referred to in the Act on the Status and Rights of Patients or social service providers or other care institutions. The same applies to confidential information referred to in sections 46c and 46d.

3. It is also allowed to seek confidential information by means of the technical user connection established in virtue of this section without the consent of the person for the protection of whose interests the confidentiality duty has been prescribed. Before establishing the technical user connection the party asking for information shall give evidence that the information is protected appropriately.

#### Section 46i (9.8.2002/682)

Notwithstanding the confidentiality provisions and other restrictions on access to information, the Social Insurance Institution is, in addition to what is provided in the Act

on Openness of Government Activities, entitled to supply to the ministry, tax administration and institutions or corporations administering the statutory social security system that are in charge of administering the social security benefits that benefits under this Act affect, the personal identification code and other identification information on a person who has received benefit or compensation under this Act, information on the benefits and compensations paid as well as other comparable information, as is necessary for combining personal data and for other individual supervision measure for the purpose of investigating offences and malfeasance regarding social security, as well as to the police and prosecuting authorities the above-mentioned information as is necessary for investigating offences and for prosecution. Information on a person's health state or information that is meant to describe the grounds for the person's need for social services may not be supplied however.

Section 46j (9.8.2002/682)

The Social Insurance Institution shall inform a pension applicant in advance and in a suitable manner as to where information on the applicant can be asked from and for which purposes is can, as a rule, be supplied.

### **Chapter 5. Administration of the Social Insurance Institution**

Sections 47 – 57 were repealed by Act No. 732/2001.

Section 58 (16.12.1966/647)

Forty per cent of the Social Insurance Institution's total administrative expenses shall be counted as administrative expenses within the meaning of this Act.

Section 58a and 58b were repealed by Act No. 732/2001.

### **Chapter 6. Funds of the Social Insurance Institution (17.8.2001/732)**

Section 59 (4.12.1998/908)

1. The Social Insurance Institution's funds comprise the national pension fund, the health insurance fund and the pension liability fund. Provisions on the health insurance fund are laid down in the Health Insurance Act.

2. The expenses on the national pension insurance are paid from the national pension fund. At the end of each calendar year, the national pension fund's current assets deducted by liabilities must be at least 4% of the total annual cost of the national pension insurance (*minimum amount of current assets*). If the income from the national pension fund, including contributions under section 62 of this Act, is insufficient to cover this minimum amount, the shortfall is paid out of State funds (*guarantee payment*). The State shall remit monthly an advance payment on the guarantee payment as laid down by Decree.

3. In addition to what is laid down in paragraph 2 regarding the State's share of the expenses on national pension insurance, the State shall pay to the Social Insurance

Institution an amount of assets that will adequately secure the national pension fund's liquidity at each time (*liquidity payment*).

Paragraphs 4 and 5 were repealed by Act No. 732/2001.

#### Section 59a (20.12.1991/1595)

1. The pension liability fund's assets cover pension liability deriving from employment in the case of the Social Insurance Institution's personnel. Pensions and benefits referred to in section 13 of the Act on Social Insurance Institution (731/2001) are paid out of the fund. (1193/2003)

2. As appropriate, pension liability is calculated observing the principles laid down in Chapter 6 of the Act on Pension Foundations (1774/1995). (908/1998)

3. To cover the pension liability and pension payments, contributions shall be paid out of the national pension fund and the health insurance fund. The annual contribution payment to cover pension liability shall provide at least 19% coverage. Pension liability may be covered up to 41 per cent. Payment of contribution shall not raise the coverage in excess of the said percentage other than temporarily. (908/1998)

4. If investment or fixed assets are used for contribution payments, the administrative costs concerned are not divided up in accordance with section 59, paragraph 4 of this Act. (732/2001)

5. If the State's payment to the national pension fund or the health insurance fund under section 59, paragraph 2, of this Act or section 59, paragraph 1, of the Health Insurance Act is used to cover pension liability, the State is entitled to borrow back the amount paid altogether or in part during the year in question, in accordance with the terms and conditions applicable to the lending operations of the pension liability fund.

#### Section 60

Paragraph 1 was repealed by Act No. 732/2001.

2. For special reasons, the national pension fund, health insurance fund and pension liability fund are entitled to lend each other assets without demanding security, on the terms and conditions applied in their lending operations. (1595/1991)

Paragraphs 3 – 5 were repealed by Act No. 732/2001.

Section 61 was repealed by Act No. 732/2001.

#### Section 62 (5.12.1996/994)

The Social Insurance Institution's share of the costs of national pensions is 71% of the total amount of national pension payments. The State is liable for the costs of national pensions in so far as they are not covered by the Institution's share.

Section 63 (4.7.1969/448)

Expenses incurred by the Social Insurance Institution from pensions, allowances and other implementation of this Act and the expenses referred to in section 58 are paid out of the Institution's assets, unless otherwise provided in section 62.

Section 64 (5.12.1996/994)

The State shall remit the Social Insurance Institution 90% of its estimated share of national pensions at the latest one day before the pensions are paid out.

**Chapter 7. Local and regional administration (6.6.1974/451)**

Section 65 was repealed by Act No. 732/2001.

Section 66 was repealed by Act No. 827/1996.

Section 67 was repealed by Act No. 732/2001.

Section 67a was repealed by Act No. 594/1986.

Section 68 was repealed by Act No. 732/2001.

Section 69 was repealed by Act No. 682/2002.

Sections 70-72 were repealed by Act No. 827/1996.

**Chapter 8. Appeal against a decision by the Social Insurance Institution**

Section 73 (14.10.1994/886)

1. Anyone dissatisfied with a decision of the Social Insurance Institution on national pension or other benefit under this Act can bring the matter before the Appeal Tribunal through a written petition of appeal. Provisions on the Appeal Tribunal are given in the Health Insurance Act.

2. Anyone dissatisfied with an Appeal Tribunal decision can appeal the decision to the Insurance Court as laid down in the Administrative Judicial Procedure Act (586/2996). Decisions of the Insurance Court cannot be appealed. (135/2003)

3. The petition of appeal referred to in paragraphs 1 and 2 must be submitted to the Social Insurance Institution within 30 days of the date on which the appellant was informed of the decision.

4. Notwithstanding appeal, a decision of the Social Insurance Institution shall be complied with, pending a legally valid decision on the case.

Section 73a (14.10.1994/886)

1. If the Social Insurance Institution fully accepts all the claims presented in a petition of appeal submitted to it, it must issue a decision on rectification. The rectification decision can be appealed under section 73.

2. If the Social Insurance Institution cannot rectify the decision appealed in accordance with paragraph 1, Institution shall submit the petition of appeal and its opinion to the appropriate appellate body within 30 days of the end of the period of appeal. In such cases, the Institution may issue an interim decision rectifying its earlier decision in so far as it accepts the claims presented in the petition of appeal. If the appeal has already been submitted to the appellate body, the Institution shall immediately notify the appellate body of its interim decision. Interim decisions cannot be appealed.

3. An exception can be made to the time limit referred to in paragraph 2 if this is justified in order to obtain further evidence because of the appeal. In such cases, the appellant must be promptly informed of the acquisition of further evidence. However, the petition of appeal and the Social Insurance Institution's opinion shall always be submitted to the appropriate appellate body within 60 days of the end of the period of appeal.

#### Section 73b (14.10.1994/886)

If the petition of appeal to be submitted to the Appeal Tribunal or the Insurance Court arrives after the time limit referred to in section 73 has expired, the appellate body concerned may notwithstanding examine the appeal if there were compelling reasons for the delay.

#### Section 74 (14.10.1994/886)

1. If a legally valid decision concerning a benefit under this Act is based on incorrect or insufficient evidence or obviously contrary to the law, the Insurance Court may, following a proposal by the Social Insurance Institution or an application by an interested party, and after providing other interested parties with an opportunity to be heard, declare the decision void and order the case to be reconsidered. Upon presenting the said proposal, Institution may, until a new decision is issued on the case, temporarily suspend payment of the benefit or introduce benefit payments in accordance with its proposal.

2. If new evidence is presented in a case concerning grant of a benefit previously denied or an increase in a benefit previously granted, the Social Insurance Institution must reconsider the case. Notwithstanding a previous legally valid decision, the Institution may grant a benefit previously denied or increase the amount of benefit previously granted. The Appeal Tribunal and the Insurance Court may also make a similar decision on an appeal. Decisions can be appealed under section 73.

Section 74a was repealed by Act No. 280/1999.

#### Section 74b (30.12.2003/1313)

1. If decision of the Social Insurance Institution is based on manifestly incorrect or insufficient evidence or obviously erroneous application of the law or if there has occurred a procedural fault in making the decision, the Institution may declare its earlier decision void and reconsider the case.

2. A decision can be corrected to the benefit or to the detriment of the interested party. Correcting a decision to the detriment of the interested party presupposes that the party consent to the correction of the decision.

Section 74c (5.12.1996/979)

Notwithstanding section 74, if the recipient of national pension has been retroactively granted a benefit referred to in section 26, paragraph 1 or 5, or such a benefit has been increased, the Social Insurance Institution may, after providing the interested party with an opportunity to be heard, reconsider the case.

## **Chapter 9. Miscellaneous provisions**

Section 75 was repealed by Act No. 623/1999.

Section 76 was repealed by Act No. 103/1982.

Section 77 (17.8.2001/724)

The benefits provided for in this Act and the grounds for their determination are adjusted according to changes in the price level as laid down in the Act of National Pension Index (456/2001), with the exception of the earned income referred to in section 22, paragraph 4 of this Act and the amount referred to in section 30a, paragraph 3. (70/2002)

The amounts in euro laid down in this Act correspond to the score of the national pension index according to which the amounts of the national pensions payable in January 2001 are calculated.

Section 78

Defaulted payments under this Act are enforced without judgement or decision in accordance with the provisions on the recovery of taxes and fees.

Section 79 (22.12.1989/1250)

1. A benefit based on this Act cannot be levied in execution (1250/1989).
2. Notwithstanding paragraph 1, execution may be levied on a benefit based on this Act, except for pensioner's care allowance, to recover maintenance payments to a child or spouse or damages in the form of maintenance payable to a child. (979/1996)
3. Notwithstanding the confidentiality provisions and other restrictions on access to information, the Social Insurance Institution has the right to disclose, at the request of the competent authority, information on amounts of benefits needed to levy execution on a benefit under this Act, with the exclusion of the benefits that are not taken into account when calculating the protected component referred to in section 4 of the Execution Act (37/1895). Furthermore, the Social Insurance Institution has the right to inform what other institutions are according to its knowledge paying pensions and other social security benefits. (682/2002)
4. An agreement to transfer a right based on this Act to another person is null and void. (328/1997)

#### Section 80 (30.12.1961/584)

1. The Government has the power to decide on exceptions to the provisions of this Act arising from a reciprocal agreement with a foreign state concerning statutory benefits.

Section 81 was repealed by Act 1313/2003.

#### Section 82

The Social Insurance Institution and its local offices are entitled to executive assistance from the authorities.

Section 83 was repealed by Act No. 682/2002.

Section 83a was repealed by Act No. 328/1997.

Section 84 was repealed by Act No. 1313/2003.

#### Section 85

The Social Insurance Institution shall approve the layouts and forms for reports, certificates and notifications under this Act.

#### Section 86

1. The Social Insurance Institution shall issue copies of its decisions on cases without charge.
2. The Social Insurance Institution is exempted from fees for decision documents.

Section 87 was repealed by Act No. 979/1996.

#### Section 88

1. The Social Insurance Institution may decide that a payment to the Institution under this Act should not be recovered or an error in specifying or processing such a payment should not be corrected if the payment or the error is so minor that recovery or correction must be considered likely to cause a disproportionate amount of work or expenses.
2. A pension payment under this Act is rounded to the nearest full cent. The annual income items having a bearing on the determination of pension are rounded to the nearest full euro. (724/2001)

Paragraph 3 was repealed by Act No. 724/2001.

Paragraph 4 was repealed by Act No. 103/1982.

#### Section 88a (18.4.1997/328)

1. If a benefit under this Act was paid without a justified cause or its amount was excessive, the excess payment must be reclaimed.

2. Reclaim can be forgone altogether or in part if this is considered reasonable and the unjustified payment is not considered to have been caused by deceitful action on the part of the recipient or the recipient's representative, or if the amount paid without justified cause is minor. In addition, reclaim can be forgone altogether after issuing the decision on reclaim also in case it is no more appropriate to continue the reclaim taking into account the benefit recipient's financial situation or if continuing the reclaim would cause unreasonable expenses in view of the amount of the benefit subject to reclaim. (350/2004)

3. The amount to be reclaimed can also be set off against a subsequent payment of benefit by the Social Insurance Institution. Without permission, however, set-off can only be used against a benefit under this Act or a comparable other benefit.

4. A legally valid decision on reclaim is enforceable in the same way as a legally valid judgement.

#### Section 88b (2004/350)

A decision on reclaim of a benefit paid without a justified cause shall be made within five years from its payment day. A claim confirmed by a reclaim decision will become statute-barred in five years from the date of issuing the decision unless the claim under the statute of limitations has fallen before that. A claim that has been confirmed by a reclaim decision will thus be statute-barred as specified in section 10 or 11 of the Act on the Expiry of Debts (728/2003). A new limitation period of five years begins from interruption of this limitation period.

Section 88b added by Act No. 350/2004 enters into force on 1.6.2004.

Section 89 was repealed by Act No. 732/2001.

Section 90 was repealed by Act No 962/2000.

Section 91 was repealed by Act No. 732/2001.

#### Section 91a (5.12.1996/979)

Provisions elsewhere in the law concerning national pension benefits, including the basic component and supplementary or additional components of national pension and helplessness supplements, apply as appropriate to national pension and pensioner's care allowance under this Act. Similarly, the provisions of this Act concerning national pension apply as appropriate to the basic and the additional amount.

#### Section 92

Further provisions on the implementation of this Act and the operations of the Social Insurance Institution are issued by decree.

### **Chapter 10. Transitional provisions and entry into force**

Sections 93-98 comprise transitional provisions.

## Section 99

1. This Act enters into force on January 1, 1957, thereby repealing the National Pensions Act of May 31, 1937; the Act on Temporary Increase to Supplementary Pension under the National Pensions Act of December 30, 1943; the Old-Age Assistance Act of February 15, 1952; the Disability Assistance Act of February 4, 1955; and orders previously issued under these acts. However, it may be provided by decree that a provision in a repealed act referred to above or an order issued under such an act shall apply over a period not exceeding the transition period ending on December 31, 1957.

2. The Social Insurance Institution and the State and municipalities concerned shall undertake measures necessary for the implementation of this Act in good time before it enters into force. Provisions concerning the start of operations of the pension committees referred to in section 66 of this Act and the processing of cases concerning benefits under this Act before this Act enters into force will be issued by decree.

3. Notwithstanding section 60, paragraph 3, the Social Insurance Institution is allowed to own the same percentage of one and the same company's capital stock as it owns when this Act enters into force.

4. This Act is in force until the end of 1959, but shall continue to apply after that date unless otherwise provided. Pension paid under the previous National Pensions Act shall not be reduced under this Act and, if necessary, the assistance amount of pension shall be increased for this purpose.

---

Entry into force of latest amended Acts:

1.10.2004/896

This Act enters into force on 1 January 2005.

26.11.2004

This Act enters into force on 1 March 2005.