

Mela security for grant holders



Mela security for recipients of grants and scholarships

The Farmers' Social Insurance Institution Mela promotes the wellbeing of the recipients of grants and scholarships throughout the course of their work in Finland. The pension security of the insured engaged in scientific research or artistic activities is determined according to the Farmers' Pensions Act (MYEL) and is based on the so-called MYEL pension insurance. The MATA occupational accident insurance and the other benefits provided by Mela offer additional security for the recipients of grants and scholarships. Foreign recipients of grants or scholarships must be covered by the Finnish social security system in order to get the insurances from Mela (see page 2).

Contents

Mela security based on insurance.....	3
Obligation to insure	3
Foreign grant holders working in Finland or outside Finland	4
Insurance validity.....	5
Earnings.....	6
Non-occupational accident insurance	7
Premiums	8
Applying for compensation from Mela	9
Appeal.....	9
Practicalities.....	10
Privacy protection.....	10
Customer service.....	10
Mela security for recipients of grants or scholarships.....	11

Mela security based on insurance

The Mela security provides the insured with much more than just the pension insurance. The MYEL insurance comes with the MATA occupational accident insurance and group life insurance as well as short-term sickness security. Based on these policies, the insured facing sickness or accident will receive a daily sickness allowance, while the MYEL pension will secure their old age or decline in work capacity. In case of death, the insurance will also provide a survivors' pension to the recipient's family members and a lump sum from the group life insurance. The compensation practice of Mela's insurance follows Finland's legislation and conditions of insurances.

Obligation to insure

The recipients of grants or scholarships must take the MYEL insurance if they work with a grant awarded from Finland and the grant, converted to annual earnings, amounts to at least € 3 387,80 (2010 level). Moreover, the work sustained with a grant or scholarship must continue uninterruptedly for at least four months. Therefore, the four-month grant or scholarship must be about € 1 100 at the minimum. The insured must not have an employment contract with the party awarding the grant or scholarship. The insured must be between 18 and 68 years of age, and not be a recipient of an old-age pension under Finnish law. The insured recipients of grants or scholarships should have their principal residence in Finland and work there (*exceptions see p. 4*).

The persons working with a grant or scholarship which is awarded to a working group will also be insured according to the Farmers' Pensions Act, if the individual group members and their part of the group's grant meet the insurance criteria. The leader of the working group must provide Mela with the information on the working group members.

Each grant or scholarship meeting the insurance criteria must be covered by a separate Mela insurance policy.

The work done with the grant or scholarship will also be insured according to MYEL in cases where the recipient holds a second employment relationship or works as an independent entrepreneur. The pension insurance policies under the TyEL or YEL systems do not have any bearing on the insurance obligation because the pension can accumulate from several pension systems simultaneously.

If a person on disability pension or part-time pension continues to work with the grant or scholarship, he or she can be insured, parallel to the existing pension, on the basis of the remaining work capacity, if the other insurance criteria are fulfilled.

The insurance obligation does not cover studies aiming at vocational qualification, polytechnic degree or BA or MA-level university degree, or final papers or theses related to such degrees. Reward-type recognitions for work already done will not qualify for the insurance under MYEL. Also the share of the grant allocated for expenses will not qualify for the insurance under MYEL. Such expenses may include e.g. material acquisitions or rentals for premises. The social security payments made by the recipient of the grant or scholarship are not considered to be expenses as referred to in MYEL. The insurance is also not granted on the basis of a grant awarded merely to purchase work-related instruments or to cover travelling costs.

The insurance application must be made within three months from the beginning of the work.

Foreign grant holders working in Finland or outside Finland

If Finnish social security legislation is applied to the grant holder by a decision from Kela (the Social Insurance Institution of Finland), the insurance cover offered by Mela for the work on grant or scholarship is also available. In that case the grant holder is obliged to apply for the insurances.

Finnish earnings-based pension acts are applied also to recipients of grants or scholarships coming from EU/EEA countries as well as from Switzerland even if they don't have a decision from Kela on coverage under the Finnish social security system. However, if the grant holder presents an AI

certificate on being covered by the social security system of his or her own country, he or she is not able to apply for Mela insurances.

Finland has social security agreements with the United States, Canada, separately with its state of Quebec, Chile, Israel and Australia. These agreements give the rules on the entitlement to social security benefits for persons who move between these countries. The basic idea is that persons coming from these countries are insured in Finland. More information about these agreements is provided by Eläketurvakeskus (Finnish Centre for Pension).

The grant holder's status may change if he or she starts work outside Finland during the period of the grant awarded from Finland. That is why the insured must contact Mela to make sure that the insurance cover remains in force during such a working period.

Insurance validity

All the recipients of grants and scholarships with MYEL insurance will also be automatically covered by a MATA occupational accident insurance for the period of work notified to Mela. The two policies start and end simultaneously.

The insurance is in force for a determined period only

The period of validity of the insurance is given in the decision informing the insured of the issued insurance. The validity of the insurance is based on the working period given in the awarding decision of the grant or scholarship. If the working period has not been indicated in the above decision, the validity of the insurance is based on the information given by the insured. However, the work covered by the grant or scholarship is deemed to start no earlier than the date on which the grant or scholarship was awarded.

Suspending the insurance

Based on an application by the insured, the insurance can be suspended due to sickness, rehabilitation, birth of a child or home-care of a child under 3 years of age, military or civil service or similar reason, if the work is interrupted for at least four months. Also the insurance period preceding the interruption should be at least four months, before the interruption can be

made. Both Mela and the party awarding the grant or scholarship must be informed about the interruption of work. When the insurance is suspended, the insured is not entitled to any compensation from the insurance, and he or she need not pay the insurance fees from the period of suspending.

To reactivate the insurance after the suspension, the insured must inform Mela when he or she reassumes the work. The remaining period of insurance following the suspension must be at least four months.

Expiry of the insurance

The insurance will expire without any further notification on the date of expiry given in the decision informing the insured of the issuance of the insurance. The insurance can expire prematurely if the work under the grant or scholarship ends, or other insurance criteria are no longer fulfilled. The insurance will also expire at the onset of the old-age pension while other pensions will not automatically make this insurance expire. Mela must be informed about the premature end of the work.

Earnings

For the purposes of the insurance, the term ‘earnings’ refers to the grant or scholarship amount converted into annual earnings. The earnings are the total grant or scholarship less the expenses. The subtraction of expenses can be made only if the awarder of the grant has designated a part of the grant to the specified expenses involving the work. The remaining grant or scholarship amount is proportioned to the working period, thereby determining the annual earnings. The following formula is used to calculate the annual earnings:

$$\frac{\text{the sum of grant or scholarship - expenses}}{\text{the number of days included in the working period}} \cdot 360$$

The earnings equal the sum used to determine the MYEL pensions, the MATA compensations for loss of income and the Mela short-term sickness allowances. It is also used to calculate the MYEL and MATA premiums. Moreover, the benefits payable by Kela, such as the maternity allowance and parent’s allowance, as well as the compensation for loss of income payable

from the motor liability insurance and sickness allowance payable from the national health insurance, are based on the earnings.

Non-occupational accident insurance

The MATA occupational accident insurance cover can be complemented with a voluntary non-occupational or leisure-time accident insurance. It offers wider compensations than those provided by private accident insurance policies. The leisure-time MATA insurance also covers accidents taking place during free-time activities, including all kinds of sports without limitation. Accidents during foreign travelling are also covered by the non-occupational MATA insurance. However, the insured should also have a separate travel insurance when travelling abroad. For the purposes of the non-occupational accident insurance, the annual earnings are the same as for the MYEL insurance, but never less than € 11 340.

The non-occupational accident insurance does not cover sickness or accidents taking place during salaried work or entrepreneurial activities or other gainful employment. Moreover, it does not entitle the insured to have any compensation for a road accident, assaults or other damage entitling to a compensation based on other acts or legislation.

The non-occupational accident insurance can be taken out either in a non-deducted or deducted form. In the non-deducted form, other allowances or pensions do not have any impact on the compensations payable from this insurance. In the deducted form, the Mela sickness allowance, the allowance from the national health insurance and the statutory employee pension paid for the same accident, will diminish the allowance or pension payable on the basis of the MATA insurance. The premium for the deducted option is slightly lower than that for the non-deducted form.

Validity of the non-occupational accident insurance

The MATA non-occupational accident insurance can only be taken out to complement the existing MATA occupational accident insurance. When the statutory MYEL and MATA insurance policies expire, the non-occupational accident insurance will also automatically expire.

Premiums

The recipient of the grant or scholarship, i.e. the insured, will be responsible for the payment of the premiums. The premiums will be calculated on the basis of the MYEL earnings of the insured. The premium sum depends on the earnings and the age of the insured. Due to the higher accrued pension, the insured of over 53 years of age will have to pay a slightly higher premium. The Ministry of Social Affairs and Health determines the premium percentages annually.

The premiums will be invoiced annually in 1 to 4 instalments, depending on the length of the insurance period. The same invoice will contain the premiums for the MYEL insurance, the MATA occupational accident insurance and the group life insurance, while the premium for the voluntary MATA non-occupational accident insurance will be invoiced separately.

Mela will send a reminder for outstanding and overdue premium payments. Should the payment not be made after the reminder, it will be enforced through the appropriate recovery proceedings. The penalty interest rate will always be applied to post-maturity payments. If you risk being late in payment, please contact Mela.

An example of annual premiums in 2010

rounded to the nearest full euro (under 53-year-olds)

MYEL annual earnings	5 000 €	10 000 €	20 000 €	30 000 €
MYEL pension and group life insurance	532 €	1 051 €	2 090 €	3 285 €
MATA accident insurance	53 €	90 €	165 €	240 €
statutory premiums together	585 €	1 141 €	2 255 €	3 525 €
voluntary non-occupational MATA accident insurance				
• deducted	67 €	67 €	109 €	157 €
• non-deducted	95 €	95 €	157 €	229 €

The premiums for the policies in force for less than a year will be proportioned to the duration of the insurance. The premiums can be estimated by using the counter at the Mela website.

Applying for compensation from Mela

Mela sickness allowance

The Mela sickness allowance is a benefit payable for the waiting period associated with the Kela sickness allowance. However, the allowance is not paid for the day on which the physician met with the insured for the first time, and the three days subsequent to that. You must enclose the sick leave certificate when you submit your application for a Mela sickness allowance.

If the sick leave is max nine days following the day on which you visited the doctor, the application is filed with Mela. If the sick leave is longer, you must file your application with Kela, and the same application form is then used for the Mela sickness allowance.

MATA compensations

The occupational and non-occupational accidents and occupational diseases are reported to Mela using the accident notification form (TI/A-form), which can be downloaded from the Mela website.

When the insured seeks medical help in Finland for an occupational accident or disease, compensated by MATA, and presents the MATA insurance certificate at the point of care, the medical treatment and medicines will be provided free of charge.

However, the expenses coverable by the non-occupational accident insurance shall be paid by the insured, and Mela will reimburse them later against receipts.

Appeal

An appeal can be lodged against the decisions on the insurance policies or compensations. The instructions on how to appeal are included in the insurance decision (only in Finnish or Swedish).

Practicalities

Insurance applications and Mela sickness allowance applications can be made electronically in Finnish and Swedish only (www.mela.fi/asiointipalvelut). Forms can be downloaded from the Mela website also in English.

Privacy protection

The information obtained during the processing of MYEL insurance is confidential. The information can be given to outsiders only with the consent of the person in question or based on relevant legislation. The information can also be used in the handling of subsequent Mela cases.

Customer service

Please turn to the Mela Customer Service, vakuutus@mela.fi or phone +358 20 630 0500, for any queries about your Mela security. All the necessary forms and certificates can also be downloaded from the Mela website.

MYEL pension insurance

The MYEL insurance accumulates your pension security in view of old age, invalidity for work and death of the family's breadwinner. The insurance accumulates the pension as follows: the insured between 18 and 52: 1,5 %; the insured between 53 and 62: 1,9 %; the insured over 63: 4,5 % of the annual earnings constituting the basis for the insurance.

MATA accident insurance

The statutory MYEL insurance automatically includes a MATA occupational accident insurance, which will compensate the insured for any work-related accidents taking place in the insured work financed with the grant or scholarship in question, as well as for any occupational diseases caused by such work.

Mela sickness allowance

The insured with a MYEL insurance will receive the Mela sickness allowance for the waiting days of the sickness allowance payable from the national health insurance.

Group life insurance

The insured with MYEL insurance are also covered by a group life insurance, and the surviving family members of the insured are eligible for compensation under this insurance in the event of death of the insured.

Non-occupational accident insurance

The occupational accident insurance can be complemented with a voluntary MATA non-occupational accident insurance. The MATA non-occupational accident insurance covers the accidents taking place during leisure.

Please contact Mela's Customer Service, when

- you file an application for insurance for work financed with a grant or scholarship
- you go outside Finland to work with your grant or scholarship
- you return to Finland and continue to work with the grant or scholarship
- you wish to suspend the work financed by the grant or scholarship due to sickness, rehabilitation, birth of a child, or home-care of a child under 3 years, military or civil service or similar reason
- you reassume the work after such interruption
- you retire and start to receive the national old-age pension
- you end the work financed by your grant or scholarship prematurely before the expiry of the insurance period.

**Mela Customer Service, vakuutus@mela.fi
or phone +358 20 630 0500**



Mela
www.mela.fi