

Mela security for grant and scholarship recipients

Glossary

Mela = The Farmers' Social Insurance Institution, which handles the statutory pension and occupational accident insurance of Finnish farmers and those receiving a grant or a scholarship from Finland

MYEL = Statutory pension insurance for farmers and recipients of grants and scholarships

MATA = Occupational accident insurance for farmers and recipients of grants and scholarships

Leisure-time MATA insurance = Voluntary accident insurance that covers accidents during time off

Mela sickness allowance = Short-term sickness allowance that is paid during the qualifying period for sickness allowance from the Social Insurance Institution of Finland (Kela)

Group life insurance = Family members of MYEL policyholders are entitled to compensation in case of death

Annual earnings = Amount of the grant converted into annual earnings for pension purposes

Old-age pension = Earnings-related pension that a person may apply for between the ages of 63 and 68. The pension is paid monthly, and the amount is based on career earnings.

What is Mela?

The Farmers' Social Insurance Institution Mela handles the statutory pension and employment accident insurance of Finnish farmers, and those receiving a grant or a scholarship from Finland. Mela's customers include 73,000 farmers and 4,000 recipients of grants and scholarships. Mela pays pensions to approximately 140,000 people.

Comprehensive Mela security

The pension obligation for artistic or scientific work carried out on the basis of grants or scholarships is stipulated in the Farmers' Pensions Act (MYEL), which provides the basis for MYEL statutory pension insurance. MYEL pension insurance includes MATA occupational accident insurance, group life insurance and short-term sickness security (Mela short-term sickness allowance). MATA occupational accident insurance also covers occupational diseases. In addition, recipients of grants and scholarships are entitled to voluntary leisure-time accident insurance. Mela insurance combines all these benefits to provide much more than just statutory pension insurance.

Insurance obligation

MYEL insurance is mandatory for recipients of grants or scholarships whenever the following criteria are met:

- The work sustained by the grant or scholarship continues uninterrupted for at least four months, and the amount of the grant or scholarship for the four-month period is at least 1217.33 euros (2013).
- The grant or scholarship is awarded from Finland and corresponds to annual earnings of at least 3652 euros (figure for 2013).
- The recipient of the grant or scholarship does not have an employment contract with the party awarding the grant or scholarship simultaneously while working on the grant.
- The recipient of the grant or scholarship is between 18 and 67 years of age and does not receive an old-age pension.
- The recipient of the grant or scholarship belongs to the Finnish social security system while working on the grant.

MYEL insurance is also available for recipients of a grant or scholarship who are part of a working group if the personal criteria for the insurance are fulfilled. The head of the working group is obligated to notify Mela about the members of the working group.

A separate insurance policy is made for each grant or scholarship meeting the insurance criteria. The grant recipient is obligated to submit a separate application for each grant.

MYEL insurance is mandatory even if the recipient of the grant or scholarship is otherwise normally employed or works as an entrepreneur. Pension insurance policies granted in accordance with the Employees Pension Act (TyEL) and Self-Employed Persons' Pensions Act (YEL) do not have any bearing on the MYEL insurance obligation, as pensions can be accumulated from several pension systems simultaneously.

A person receiving a disability pension or part-time pension can be insured on the basis of the remaining work capacity if the person continues to work with a grant or scholarship and if the insurance criteria are fulfilled. If the disability pension or part-time pension begins during the MYEL insurance period, the recipient of the grant or scholarship must contact Mela to ensure the continuation of the MYEL insurance.

The insurance obligation does not apply to studies for a vocational qualification, polytechnic degree or upper or lower level university degree, or to any thesis work required for these degrees. In addition, recognition for past work in the form of a reward does not qualify for MYEL insurance.

MYEL insurance is not available for grants or scholarships that have been awarded solely to cover the purchase of equipment or travel expenses. Similarly, the share of any grant or scholarship allocated for covering expenses does not qualify for insurance under MYEL. Such expenses may include material procurements and rents for premises. Recipients of grants and scholarships may deduct no more than half of the amount of the grant or scholarship to cover expenses, unless the party awarding the grant or scholarship has allocated a specific portion to cover expenses.

The social security payments of the recipient of the grant or scholarship do not qualify as expenses as intended by MYEL.

Insurance must be taken within three months of the start of work.

Working abroad

The insurance obligation of recipients of grants or scholarships remains valid when living and working abroad so long as they are covered by Finnish social security. The length of this period depends on factors such as the duration of the work abroad, the country in question, and the agreements between that country and Finland.

Before going to work abroad, the recipient of the grant or scholarship must contact Mela to ensure the validity of the insurance when working outside of Finland. If the work is carried out in an EU/EEA country or Switzerland, a certificate for the application of Finnish social security (A1) must be requested from the Finnish Centre for Pensions. For other countries, a decision for the application of Finnish social security is made by either the Finnish Centre for Pensions or the Social Insurance Institution of Finland (Kela), depending on the country in question.

Foreign recipients of grants and scholarships who are working in Finland are eligible for MYEL insurance if the grant or scholarship has been awarded by a Finnish party and if the recipient is eligible for Finnish social security on the basis of residency. More information on Finnish social security offered by Kela www.kela.fi English pages.

Validity of the insurance

All recipients of grants and scholarships with MYEL insurance are also covered by MATA occupational accident insurance during the working period. The two policies start and end simultaneously.

The insurance is for a fixed term only

The insurance period is stated in the insurance decision and is based on the working period stated in the decision awarding the grant or scholarship. If the working period is not indicated in the above decision, the validity of the insurance is based on the information provided by the recipient of the grant or scholarship. 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

The recipient of the grant or scholarship may apply for a suspension of the insurance due to sickness, rehabilitation, birth of a child or home care of a child under the age of 3, military or civilian service, or similar reason if the work is to be interrupted for at least four months. The insurance cannot be

suspended due to employment or self-employed work. Both Mela and the party awarding the grant or scholarship must be informed about the suspension of work.

The recipient of the grant or scholarship may reactivate the insurance by notifying Mela about the resumption of work so long as the remaining insurance period following the suspension is at least four months.

Expiry of the insurance

The insurance will expire without further notice on the expiry date given in the insurance decision. The insurance may expire prematurely if the work under the grant or scholarship ends and if a portion of the grant or scholarship is not used. The insurance also expires when the policyholder is no longer covered by Finnish social security. The onset of old-age pension always terminates the insurance, but with other types of pensions the insurance may still be applicable. Mela must be informed about the premature end of work under the grant or scholarship.

Annual earnings

MYEL earnings are the amount of the grant converted into annual earnings. The basis for calculating annual earnings is the total amount of the grant or scholarship less expenses. The remaining amount is adjusted according to the working period to determine annual earnings using the following formula:

$$\frac{\text{amount of the grant or scholarship} - \text{expenses}}{\text{number of days in the working period}} \times 360$$

The resulting earnings are used to determine MYEL pensions, MATA accident compensations for loss of income and the Mela short-term sickness allowances. MYEL earnings are also used to calculate daily allowances payable by the Social Insurance Institution of Finland (Kela), such as maternity and parental allowance, sickness allowance, and compensation for loss of earnings under the Motor Insurance Act. All Mela insurance payments are calculated based on annual earnings.

Deductible expenses

Deductible expenses include those generated by the work being carried out on the basis of grants or scholarships so long as the party awarding the grant or scholarship has intended some of it to be used for purposes other than the compensation of work performance. If the grant or scholarship may be used to cover expenses without restrictions, the recipient of the grant or scholarship may deduct no more than half of the amount of the grant or subsidy to cover expenses, unless the party awarding the grant or subsidy has allocated a specific portion to cover expenses. The amount of expenses must be included in the insurance application. Once the insurance decision becomes legally binding, the share of expenses can no longer be amended.

If the amount of annual earnings after deducting expenses is less than the minimum requirement for insurance, the insurance shall not be confirmed.

MATA occupational accident insurance

Recipients of grants and scholarships with MYEL insurance are automatically covered by MATA occupational accident insurance during the working period. MATA insurance covers accidents and occupational diseases that occur during work carried out on the basis of grants or scholarships.

An accident means a sudden, unexpected, unintended and externally caused event in which a person is injured. MATA occupational accident insurance covers injuries caused by accidents at work carried out on the basis of grants or scholarships. However, MATA insurance does not compensate for illnesses unrelated to the accident, even if the symptoms appear for the first time in connection with the accident.

MATA insurance compensates for immediate expenses incurred by the treatment of the injury, medicines and travel for treatment. It also covers physical rehabilitation for the injury as prescribed by a doctor. There is no upper limit to the amount of compensation.

If the accident causes work disability, daily disability allowance is paid for up to one year from the time the accident occurred. If the work disability continues for more than one year, a disability pension is paid. The amount of the disability allowance and pension is determined according to the recipient's MYEL earnings.

Note: MATA occupational accident insurance is valid only when performing work carried out on the basis of grants or scholarships. It is not valid around the clock. To cover against accidents during time off, voluntary leisure-time accident insurance is available separately and is valid in both Finland and abroad.

Leisure-time accident insurance

MATA occupational accident insurance coverage can be complemented with voluntary non-occupational or leisure-time accident insurance, which offers broader compensation than that provided by private accident insurance policies. Leisure-time MATA insurance covers accidents that occur during time off, including sports related accidents, without limitations regarding the type of activity. The insurance also covers accidents that occur while travelling abroad. However, separate travel insurance is also recommended in case of illness.

Leisure-time accident insurance does not cover illnesses. It also does not cover accidents that occur during salaried work or entrepreneurial activities or other gainful employment. Leisure-time accident

insurance does not cover traffic accidents, assault or damages whose compensation is subject to other applicable laws. For the purposes of leisure-time accident insurance, annual earnings are the same as MYEL earnings.

Leisure-time 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 amount of compensation. In the deducted form, the allowance or pension payable on the basis of the MATA insurance will be diminished by the amount of the Mela sickness allowance, the sickness allowance from the national health insurance and the statutory employee pension paid for the same accident. The premium for the deducted option is slightly lower than that for the non-deducted form.

Leisure-time accident insurance is only available with MATA occupational accident insurance. The leisure-time accident insurance automatically expires when the statutory MYEL and MATA insurance policies expire.

Leisure-time accident insurance can also be terminated earlier by requesting in writing that the insurance be terminated at the end of the current month.

Premiums

The insurance premiums are paid by the recipient of the grant or scholarship. The premiums are calculated on the basis of the MYEL earnings of the policyholder. The amount depends on the earnings and the age of the insured. Due to their higher accrued pension, policyholders over the age of 53 pay a slightly higher premium. The basis for calculating premiums is approved by the Ministry of Social Affairs and Health.

The premiums are invoiced annually in 1 to 4 instalments, depending on the length of the insurance period. The same invoice contains the premiums for the MYEL insurance, the MATA occupational accident insurance and the group life insurance, while the premium for the voluntary MATA leisure-time accident insurance is invoiced separately. The invoices can be paid conveniently online using the e-invoicing services of your bank.

If there is a possibility that invoice payment will be delayed for whatever reason, contact Mela's payment department immediately. A penalty interest rate will be applied to late payments. Mela will send a reminder for outstanding and overdue premium payments. If the payment is not made after the reminder, it will be enforced through the appropriate recovery proceedings.

Premiums are tax deductible. Mela notifies the tax administration annually about paid and reimbursed premiums.

Applying for compensation from Mela

Compensation application forms can be found on the Mela website. Most forms are available in English.

Mela sickness allowance

Mela sickness allowance is a benefit that is paid during the qualifying period for sickness allowance from the Social Insurance Institution of Finland (Kela). Mela sickness allowance is not paid for the day of the initial doctor's visit or for the three days subsequent to that. A sick leave certificate from the doctor is required when applying for a Mela sickness allowance.

If the sick leave lasts for up to nine days after the doctor's visit, the application should be sent to Mela. If the sick leave is longer, the application should be sent to Kela. The same application form can be used for both Mela and Kela sickness allowance.

MATA accident compensation

The accident notification form on the Mela website should be used to apply for compensation for occupational and leisure-time accidents, as well as occupational diseases.

For occupational accidents and diseases, recipients of grants and scholarships who are insured by Mela can receive free medical treatment and medicines by presenting the MATA insurance certificate when seeking medical help in Finland.

Expenses incurred by leisure-time accidents are paid initially by the policyholder, who can then apply for compensation from Mela by presenting the receipts.

Insurance certificates can be printed out using Mela's e-services (www.mela.fi).

Appeals

Insurance and compensation decisions may be appealed. Instructions for how to appeal are provided on the reverse side of the insurance decision.

Privacy notice

The information obtained during the processing of MYEL insurance is confidential. The information can be disclosed to third parties only with the consent of the person in question or on the basis of applicable legislation. However, the information may be used again at a later date for other Mela matters related to the recipient of the grant or scholarship.

Practical matters

Contact Mela's customer service in the following circumstances:

- When applying for insurance for work carried out on the basis of a grant or scholarship
- When moving abroad to work on the basis of a grant or scholarship
- When returning from abroad and continuing work in Finland on the basis of a grant or scholarship
- When you want to suspend the work you are carrying out on the basis of a grant or scholarship due to sickness, rehabilitation, birth of a child or home care of a child under the age of 3, military or civilian service, or similar reason
- When you want to continue work on the basis of a grant or scholarship
- When you are eligible for an old-age or disability pension
- When you finish working on the basis of a grant or scholarship prematurely before the end of the insurance period

Mela security for recipients of grants or scholarships

MYEL pension insurance

MYEL insurance provides pension security against old age, work disability or the death of the primary wage earner in the family. The insurance accrues pension based on MYEL annual earnings as follows: 1.5% between the ages of 18 and 52; 1.9% between the ages of 53 and 62, and 4.5% between the ages of 63 and 68.

MATA occupational accident insurance

MATA occupational accident insurance is always provided with statutory MYEL insurance. MATA insurance covers accidents and occupational diseases that occur during work carried out on the basis of grants or scholarships.

Mela sickness allowance

In case of sickness, recipients of grants or scholarships with MYEL insurance receive Mela sickness allowance during the qualifying period for sickness allowance from the Social Insurance Institution of Finland (Kela).

Group life insurance

Recipients of grants or scholarships with MYEL insurance are also covered by group life insurance that entitles family members to compensation in case of death.

Leisure-time accident insurance

MATA occupational accident insurance coverage can be complemented with voluntary non-occupational or leisure-time accident insurance, which covers accidents that occur during time off.

Further information about Mela security

Mela's customer service is ready to help with any matters regarding Mela security. You may contact Mela by telephone, over the internet or in person.

Forms and certificates are available online using our e-services.

Contact information and instructions for making an appointment with us can be found on our website, www.mela.fi. Mela's customer service telephone number is +358 29 435 2650.