

Client fees for long-term 24-hour service housing and long-term family care as of 1 July 2021

Table of contents

| | | |
|-------|--------------------------------------------------------------------------------------------------|----|
| 1 | General..... | 2 |
| 2 | Client fees | 2 |
| 3 | Determination of the client fee | 3 |
| 3.1 | Determining income | 4 |
| 3.2 | Available funds..... | 4 |
| 3.3 | Income on which the client fee is based | 5 |
| 3.4 | Deductions from income..... | 7 |
| 3.4.1 | Maintenance obligations, actual family relationships and traditional life annuity | 7 |
| 3.4.2 | Remuneration of a guardian and audit fee of the Digital and Population Data Services Agency..... | 7 |
| 3.4.3 | Expenses for dwelling | 8 |
| 3.4.4 | Debt recovery proceedings | 8 |
| 3.4.5 | Housing service rent | 8 |
| 3.4.6 | Medicinal expenses..... | 8 |
| 4 | Interruption of service | 9 |
| 5 | Relinquishing a housing service place | 9 |
| 6 | Client's health and social services in housing services | 9 |
| 7 | Reduction of or exemption from client fees | 9 |
| 8 | Dealing on behalf of one another | 10 |

1 General

According to the Social Welfare Act (1301/2014), 'housing services' mean the provision of service housing and supported housing. Service housing is arranged for people who need suitable housing, as well as treatment and care. 24-hour service housing is arranged for persons who need treatment and care around the clock. The services include treatment and care according to the client's needs, activities that maintain and promote functional capacity, meal, laundry, washing and cleaning services, as well as services promoting inclusion and social interaction.

Housing services in accordance with the Social Welfare Act can be provided to different client groups, such as the elderly, people in mental health or substance abuse rehabilitation and people with disabilities. Housing services can be arranged as an outsourced service from a private service provider or as the municipality's own activity.

Decree 1806/2009 of the Ministry of Social Affairs and Health lays down the criteria for defining outpatient and institutional care. Kela and the municipality define units as outpatient or institutional care services on the basis of criteria issued by the Ministry of Social Affairs and Health. Housing services are defined as outpatient care. Housing service clients may therefore be entitled to social insurance benefits granted by Kela, such as care allowance, housing allowance and travel allowances reimbursed on the basis of health insurance, as well as medicinal costs.

Family care is the organisation of care or other part-time or 24-hour care in the private home of a family carer or in the home of the person being cared for. The municipality or joint municipal authority concludes a contract of assignment with a family carer or an agreement on the organisation of family care with a private family care provider (Act on family care 263/2015).

2 Client fees

Client fees in health care and social welfare are generally regulated by the Act on Client Charges in Healthcare and Social Welfare (734/1992) and the Decree on Client Charges in Healthcare and Social Welfare (912/1992). Section 7c of the Act on Client Charges in Healthcare and Social Welfare defines the fees to be charged for 24-hour service housing and long-term family care. The fee criteria contained in this material apply not only to long-term 24-hour service housing but also to long-term family care, unless specifically mentioned.

A client fee decision is made for the client based on the fee criteria of long-term 24-hour service housing. Clients in long-term 24-hour service housing are charged a client fee based on the client's net monthly income. The client fee covers the entire service received by the client.

A client fee based on the client's income can be charged for long-term 24-hour service housing if the service is estimated to last at least three months from its commencement or if the service has actually lasted at least three months. A similar definition also applies to client fees for long-term family care. However, long-term family care clients fees may not be charged for family care provided under the Child Welfare Act (417/2007), the Act on special care for persons with intellectual disabilities (519/1977) or the Disability Services and Assistance Act (380/1987). (Section 7b of the Act on Client Charges in Healthcare and Social Welfare)

If the client resides in a housing service unit where the rent is not included in the client fee, the client fee criteria in this instruction are followed, with the exception that the client pays the rent

directly to the lessor. The rent paid by the client is taken into account as a deduction from the income on which the client fee is based.

3 Determination of the client fee

According to Section 7c of the Act on Client Charges in Healthcare and Social Welfare, the fee for long-term 24-hour service housing is 85% of the client's net monthly income after deductions in accordance with Section 3.4. The client is left 15% of their monthly net income as available funds; the minimum amount to be left is EUR 164 per month (as of 1 July 2021). The same fee criteria are applied if the client lived in a marriage or cohabitation immediately before the start of the service and the person in 24-hour service housing care has lower income than their partner. If both spouses are in long-term 24-hour service housing, long-term family care or long-term institutional care, the fee is determined on the basis of the above criteria.

If the client lived in a shared household in a marriage or a relationship resembling marriage immediately before the start of the service and their monthly income is higher than their partner's monthly income, the client fee is determined by the spouses' combined net monthly income. In such cases, the fee is 42.5% of their combined net monthly income after deductions in accordance with Section 3.4. However, the minimum funds that must be available for the client to use is EUR 164 per month.

The fee may not exceed the expenses incurred from providing the service (Section 2 of the Act on Client Charges in Healthcare and Social Welfare).

The client fee is valid until further notice. Client fees for long-term 24-hour service housing are reviewed annually for changes in income and expenses. In addition, according to Section 10j of the Act on Client Charges in Healthcare and Social Welfare, the fee must be reviewed at the application of the client or their representative or at the initiative of the municipality, when:

- the client's or their family's income has changed;
- the client's or their spouse's right to deductions on income has changed;
- the circumstances of the family have changed;
- the fee proves to be incorrect;
- the client plan prepared for the client is changed in a way that affects the amount of the client fee;
- the municipal fee criteria are changed in a way that affects the amount of the client fee.

If the decision on the fee has been based on incorrect information provided by the client or their representative, the fee may be rectified retroactively for a maximum period of up to one year.

Long-term 24-hour service housing is free of charge for veterans who served on the front (Act on front-line veteran rehabilitation 1184/1988).

3.1 Determining income

In order to determine the client fee, the client's income is determined. Income information is primarily requested from the client or their representative. Information may also be requested from other authorities, entities or bodies. Income data can be verified using, for example, through Kela and the incomes register of the Tax Administration.

According to Section 14a of the Act on Client Charges in Healthcare and Social Welfare, a state authority, a municipal authority and other bodies governed by public law, the Social Insurance Institution of Finland (Kela), the Finnish Centre for Pensions, a pension fund and other pension institutions, an insurance institution, an employer and an unemployment fund, and a provider of social and health care services are obliged, at the request of a municipal authority, to provide, free of charge and without prejudice to confidentiality provisions, the information and statements in their possession concerning the financial standing of a client and necessary for determining the amount of a client fee if the municipality or group of municipalities imposing the fee has not received sufficient and reliable information from the client or their legal representative for the purpose of determining the fee.

Where the fee is determined on the basis of the combined income of the person in the service and their spouse, the above-mentioned right to information also applies to the spouse. The above-mentioned parties are only requested to provide information relevant to the determination of the client fee.

The reporting obligation also applies to a financial institution if the municipality or joint municipal authority does not receive sufficient information and explanations from other parties mentioned above and if there are reasonable grounds to doubt the adequacy or reliability of the information provided by the client or their representative.

The Act on the Status and Rights of Social Welfare Clients (812/2000) lays down the obligation of the client and their representative to provide information (Section 12) and the right of a social welfare authority to confidential information (Sections 20 to 22).

If the income on which the fee is based changes, the client or their representative must notify the authority deciding on the client fee of the changed income data. A client fee decision based on incorrect income information may be rectified retroactively for a period of one year.

3.2 Available funds

A client in long-term 24-hour service housing must be left 15% of their monthly net income as available funds; the minimum amount to be left is **EUR 164 per month** as of 1 July 2021. The amount of the available funds is revised every two years according to the change in the employment pension index. The euro amounts revised by the index are rounded to the nearest whole euro and enter into force at the beginning of the year following the revision year. (Section 7c of the Act on Client Charges in Healthcare and Social Welfare)

In 24-hour service housing requiring mental health and substance abuse services, the available funds left to the client are equal to the basic component of basic income support (EUR 504.06 per month as of 1 March 2021).

With the available funds, the client pays for all personal expenses such as medication costs, health care expenses, eyeglasses, hygiene expenses, barbershop/hairdresser expenses, physiotherapy, foot care, travel costs, newspaper subscription fees, phone usage expenses, clothing expenses and hobby expenses, as well as any other expenses not included in the service.

3.3 Income on which the client fee is based

Section 10b of the Act on Client Charges in Healthcare and Social Welfare defines the income on which client fee for long-term 24-hour service housing are based. The client fee is determined by the net monthly income of the client. Income taken into account as the client's monthly income includes the client's continuous or repeatedly received annual income after withholding tax, less the costs incurred in obtaining income, as well as tax-exempt income and calculated forest income. If the fee is determined on the basis of the total monthly income of the client and their spouse, the corresponding income of the spouse is also taken into account as monthly income.

Income is continuous when it continues for at least three months from the date on which the fee is determined. Continuous income includes, for example, salary, pension and benefit income. Annual recurring income includes net income from capital and other assets, such as dividends and interest income. Dividends paid to an equity savings account and returns paid from investment funds to the client annually are also taken into account as income. Income paid to so-called growth shares of investment funds that are not distributed annually from the fund is not taken into account as income.

In the case of so-called non-tax-subsidised pension insurance, the income taken into account is that part of the pension corresponding to yield accruing on the capital invested. Conversely, capital repayments from non-tax-supported pension insurance are not taken into account as income.

Rent received from a rental unit, less the costs incurred in obtaining income, is considered as rental income. Costs incurred in obtaining income include maintenance fees and interest on the investment loan taken to acquire the unit. Payments of an investment loan or any housing company loan are not taken into account as a deduction of rental income.

Continuous or repeatedly received grants and recognition awards are taken into account as income to the extent that they are regulated as taxable income in Section 82(2) of the Act on income tax.

Calculated forest income means the average annual forest yield per hectare multiplied by the area of forest land, established in accordance with Section 7(3) of the Act on the valuation of assets for taxation (1142/2005). This amount is reduced by 10% and by forestry interest rates. At the request of the client or their representative, the municipality or joint municipal authority must reduce the calculated forest income if the net monetary value of the annual felling opportunity per holding is at least 10% lower than the forest income, based on a statement issued by the Finnish Forest Centre or forest management association. The discount is equal to the difference between the forest income and the net monetary value of the felling opportunity. (Section 10i of the Act on Client Charges in Healthcare and Social Welfare)

Incidental or non-recurrent income, reimbursement of expenses and other grants for a specific purpose or other similar income which is not regular or continuous and does not form part of taxable income is not taken into account as income.

Tax-exempt social benefits referred to in Section 92 of the Act on income tax (1535/1992) are not taken into account as income, with the exception of the allowance for persons with disabilities and care allowance for pensioners. A veteran's allowance paid as part of care allowance for pensioners is not taken into account as income. Child support referred to in Section 4 of the Act on child maintenance is also not taken into account as income.

If the income of the client or their spouse varies, the average monthly income of the previous 12 months is taken into account.

Deductions in accordance with Section 3.4 are taken into account from the income on which the client fee for long-term 24-hour service housing is based.

Net income to be taken into account, e.g.:

- Salary
- Pensions
- Benefits
- Student grant
- Adult education allowance
- Child home care allowance
- Disability allowance for persons under 16
- Disability allowance for persons aged 16 and over
- Care allowance for pensioners
- Interest income
- Dividend income
- Investment fund yield shares
- Forest income
- Rental income (less maintenance fee and interest on investment loan)
- Scholarships and recognition awards in so far as they are continuous or annual and subject to tax
- Other personal income

Income not considered, e.g.:

- Child benefit
- Child increase in accordance with the National Pensions Act
- Housing allowance
- Student allowance housing supplement
- Conscript's allowance
- Conscript's per diem allowance
- Front veteran's supplement
- Extra front veteran's supplement
- Veterans' supplement
- Child support or child maintenance allowance to minors
- One-off scholarships and recognition awards
- Income support
- Medical and examination costs under accident insurance
- Upkeep costs referred to in the Act on the social insurance institution of Finland's rehabilitation services and rehabilitation allowances

- Reimbursement of family care

3.4 Deductions from income

Before imposing a client fee for long-term 24-hour service housing, deductions in accordance with Sections 10c and 10d of the Act on Client Charges in Healthcare and Social Welfare must be deducted from the client's monthly income. If necessary, deductions according to Sections 3.4.1 and 3.4.2 are also made from the spouse's monthly income if the fee is determined by the spouses' total income.

3.4.1 Maintenance obligations, actual family relationships and traditional life annuity

- **Child support confirmed as to be paid by the person.** Child support is not deducted if the child support recipient is the client's spouse with whom the client lived in a joint household immediately before the start of long-term 24-hour service housing;
- **Other corresponding costs resulting from actual family relations** of the person;
- **Allowance withheld for a fixed period or a lifetime in connection with the transfer of property**, which they must pay in cash (traditional life annuity);
- **Compensation ordered by the receiver or the court**, referred to in the Act on the Dissolution of the Household of Cohabiting Partners (26/2011), which they must pay in cash.

3.4.2 Remuneration of a guardian and audit fee of the Digital and Population Data Services Agency

The remuneration of a guardian consists of an annual basic fee and additional fees (Government Decree 696/2012 on the amount of the guardian's remuneration).

When determining the client fee, the basic fee of a guardian's fee (EUR 440 or EUR 280 per year) and the audit fee of the Digital and Population Data Services Agency per month are taken into account as deductions from the income. Correspondingly, the remuneration of a guardian is taken into account as a reduction of up to the amount of the basic fee of the above-mentioned guardian. (Section 10c of the Act on Client Charges in Healthcare and Social Welfare)

In addition, an additional fee of EUR 200 for measures to initiate guardianship is taken into account as a deduction from income.

The client or guardian must inform the client fee decision maker of any expenses incurred in the guardianship.

3.4.3 Expenses for dwelling

According to Section 10c of the Act on Client Charges in Healthcare and Social Welfare, when long-term 24-hour service housing begins, the actual housing costs of the previous dwelling are deducted from the client's income. This is intended to provide the client with sufficient time for housing arrangements. Costs for a dwelling other than the main dwelling are not taken into account as a deduction. The client's share of housing costs is taken into account as a deduction from income as follows:

The rent and compulsory home insurance for a **rental dwelling** are taken into account in accordance with the notice period of the Act on Residential Leases until the end of the month of admission to the housing service unit and immediately thereafter for one (1) month's notice period.

For right-of-occupancy homes, costs taken into account in accordance with the above-mentioned conditions include the maintenance fee and compulsory home insurance for three (3) months.

For owner-occupied homes, costs may be taken into account until the end of the month of admission to long-term housing services and immediately thereafter for a maximum period of six (6) months:

- Costs taken into account for detached houses include property tax, reasonable heating and maintenance costs and compulsory home insurance.
- Costs taken into account for a share in a housing company are the maintenance fee and compulsory home insurance.

3.4.4 Debt recovery proceedings

As a rule, garnishment of a person's recurring income is not taken into account as a deduction. In exceptional circumstances, it may be taken into account if ignoring the garnishment would cause the person to incur client fee debts to be garnished.

3.4.5 Housing service rent

Reasonable housing costs arising from long-term 24-hour service housing are deducted from the income on which the client fee is based. The costs taken into account include the rent of the housing service unit and any water and electricity charges paid separately. Housing allowance paid to the client is deducted from the housing costs to be taken into account. (Section 10d of the Act on Client Charges in Healthcare and Social Welfare)

3.4.6 Medicinal expenses

The costs of medicines, clinical nutritional preparations and basic ointments prescribed by a health care professional, to which the client is entitled to compensation under the Health Insurance Act, are deducted from the income on which the client fee is based. On the basis of an account provided by the client or their representative, the medicinal expenses are deducted according to

the medicinal expenses incurred by the client, up to the amount of the annual deductible referred to in Chapter 5, Section 8 of the Health Insurance Act (EUR 48.32 per month in 2021).

The costs of medicinal products, clinical nutritional preparations and basic ointments that are not reimbursed in accordance with the Health Insurance Act are deducted at the request of the client or their representative to the extent that they have been assessed by the prescribing health care professional as necessary for the client's health. (Section 10d of the Act on Client Charges in Healthcare and Social Welfare)

4 Interruption of service

The municipality may charge the fee for long-term 24-hour service housing even if the service is temporarily interrupted due to the client. However, if the service is interrupted for more than five days, no fee is charged for the time exceeding five days. If the service is interrupted due to reasons attributable to the municipality or because the client is in institutional care, no fee is charged for the said five days, either. If the service is interrupted for an entire month, no fee is collected. (Section 10k of the Act on Client Charges in Healthcare and Social Welfare)

The client pays the service provider rent for the terms of the lease agreement, even during an absence. For hospital care, rehabilitation and other institutional care, the client pays the client fee for the service in question.

5 Relinquishing a housing service place

When a person relinquishes their place in housing services, the city contribute to the costs of the care and charges a client fee until the termination day. Any fee for the period after the termination day (time reserved for emptying the dwelling) must be agreed in advance in the care agreement between the nursing home and the resident.

6 Client's health and social services in housing services

With regard to health and social services, residents are covered by public health care on the same basis as people living at home. The public health care expenses of a person living in a housing service unit are normally counted towards a health care payment ceiling.

7 Reduction of or exemption from client fees

On the basis of Section 11 of the Act on Client Charges in Healthcare and Social Welfare, the fee imposed for social welfare services and the fee imposed for health care services according to the client's capacity to pay must be waived or reduced to the extent that charging the fee would undermine the preconditions for the client's or family's livelihood or the client's statutory

maintenance obligations. Applying for a reduction in the client fee or exemption from the fee takes precedence over income support.

Reduction of or exemption from housing service client fees is applied for using the appropriate application form or a free-form application. The application must state the fee for which a reduction or exemption is applied for, the start date and grounds. The decision on the reduction or exemption is made on the basis of case-specific consideration.

Inquiries on client fee reduction or exemption:

E-mail: asiakasmaksut@espoo.fi

Tel.: +358 9 8165 7261, weekdays 9:00–13:00

www.espoo.fi/asiakasmaksut

8 Dealing on behalf of one another

If matters related to client fees for long-term 24-hour service housing are handled by a representative on behalf of the client, for example a relative, a power of attorney signed by the client must be presented for authorisation. Without written authorisation, information related to client fee decisions cannot be disclosed or handled in relation to the client fee. A guardian or trustee may act without a separate power of attorney. Information on guardianship and guardianship powers can be checked through the Digital and Population Data Services Agency.

City of Espoo
Business ID 0101263–6

Sosiaali- ja terveystoimen esikunta (Social and Health Services, Sector Management)
Asiakasmaksut (Client Fees)
P.O. Box 207
02070 CITY OF ESPOO
Tel. +358 9 8165 7261 (Mon–Fri 9:00–13:00)
asiakasmaksut@espoo.fi