

No. 408

HOUSING ALLOWANCE ACT

June 4, 1975

Chapter 1

Recipients of housing allowance

Section 1 (13.2.1987/154)

Housing allowance can be granted to a household out of State funds in order to reduce the cost of a rented or owner-occupied dwelling located in Finland and deemed to be the permanent abode of the occupant, as provided in this Act. What is laid down or prescribed in this Act or the Decree or a Council of State decision issued under it concerning rental dwellings shall also apply to right-of-occupancy dwellings as referred to in the Right-of-occupancy Housing Act (650/90). (5.12.1996/989)

Persons living permanently in the same dwelling are considered to be members of the same household. If some of the persons living in the dwelling hold part of it under a separate lease or corresponding agreement on possession, or if they have been placed in the household under a care agreement because of a disease or handicap, however, they shall not be considered members of the household. Married spouses living in the same dwelling, persons living continuously in a joint household as husband and wife without marriage, relatives in a direct line of descent or ascent, and under-age siblings shall, however, always be considered members of the same household. Adopted and fostered children are also comparable to relations as referred to in this paragraph.

The householder or his/her spouse, or the person in whose name a separate lease or corresponding agreement on possession has been made, shall represent the household.

Only persons living permanently in Finland shall be considered members of the household (5.12.1996/989)

(Section 1a repealed February 13, 1987)

Section 2 (13.2.1987/154)

Housing allowance in accordance with this Act shall not be granted:

- 1) to a student living alone who is entitled to a student housing supplement under section 14, paragraph 1, of the Act on Financial Aid for Students (65/94), or to a student who is entitled to free housing provided by an educational institution, or who receives accommodation compensation under the Act on Adult Labour Market Training (763/90); (21.1.1994/66)
- 2) to a household of two or more persons, when one of them receives a housing supplement in accordance with the acts mentioned in subparagraph 1, except when this allowance has been granted for a household member's housing in some other locality; (30.12.1992/1633)
- 3) to a single-person household if the person concerned meets the criteria for receiving housing allowance for pensioners as laid down in section 1 of the Act on Housing Allowance for Pensioners (591/78); (5.12.1996/989)
- 4) to a two-person household comprising married spouses or persons living continuously in a joint household as husband and wife without marriage, when one of these persons meets the criteria for receiving housing allowance for pensioners as laid down in section 1 of the Act on Housing Allowance for Pensioners; or (5.12.1996/989)
- 5) to a household when one of its members receives housing allowance in accordance with the Act on Housing Allowance for Pensioners.

Chapter 2

Conditions for receiving housing allowance

Section 3 (13.2.1987/154)

The conditions for receiving housing allowance are:

- 1) that the dwelling in the household's possession is fit for

use as housing;

2) that the total sum of permanent monthly income of the members of the household does not exceed an amount confirmed annually by the Council of State; and (8.12.1989/1079)

3) that the total sum of taxable assets of the members of the household in the most recent taxation does not exceed an amount confirmed annually by the Council of State. However, assets are not then counted as including housing in the household's own use. (8.12.1994/1121)

Income as laid down by decree and rental income from a sub-tenant as referred to in section 6, paragraph 4, are not counted as permanent monthly income as referred to above in paragraph 1, subparagraph 2. The number of tax units specified for the person concerned in the most recent municipal taxation shall be used as the basis for determining permanent monthly income if no other reliable evidence is available. (30.12.1992/1633)

Section 4 (8.12.1989/1079)

Without prejudice to the provisions in section 3, paragraph 1, subparagraph 3, housing allowance can be granted if the assets of the members of the household have decreased to such an extent that they do not exceed the amount confirmed annually by the Council of State.

Housing allowance can be withheld or terminated as a result of the adjustment referred to in section 15, if the economic circumstances of the members of the household are appreciably better than the total sum of their permanent monthly income suggests, or if there is some other special cause.

Chapter 3 Amount of housing allowance

Section 5 (19.12.1980/866)

The amount of the housing allowance is 80 per cent of the sum of reasonable housing costs that exceeds a basic deductible

in Finnish marks which depends on the location of the dwelling, the size of the household and the total sum of permanent monthly income of the members of the household. The composition of the household can also be taken into account when the basic deductible is confirmed. (17.12.1993/1236)

The Council of State annually confirms the amounts in Finnish marks of the basic deductibles referred to in paragraph 1. (19.12.1980/866)

Section 6 (27.5.1976/421)

The housing costs of a household living in rental housing are counted as including the rent and any heating costs and water charges on the housing payable separately. (13.2.1987/154)

The housing costs of a household living in owner-occupied housing are counted as including the maintenance charge and heating costs and water charges payable separately or the property management expenses. Housing costs are also counted as including a proportion of the annual interest paid on personal loans taken for housing purchase and renovation prescribed annually by the Council of State, with due consideration to the right to deduct interest from tax. A proportion of the annual repayment of loans granted under the Housing Production Act (247/66) or Act on State-subsidized Housing Loans (ARAVA Loans) (1189/93), or of fixed interest prescribed before annual repayments begin, shall be counted as housing expenses as prescribed annually by the Council of State. Housing loans must have been granted by the State, a local authority, a parish or a body engaging in credit operations and subject to public supervision. Interest shall be calculated at a rate not exceeding that generally charged on long-term loans. (17.12.1993/1199)

The Council of State can specify how property management expenses counted as housing costs must be calculated and the amounts at which separately paid heating costs and water charges are counted as housing expenses. (19.12.1980/866)

If a household has a sub-tenant, the amount of rent paid by the sub-tenant shall be deducted from the household's housing

expenses as referred to in this section; this amount shall be at least what can be considered reasonable in view of the circumstances. (13.2.1987/154)

Section 7 (30.12.1992/1633)

The Council of State annually confirms maximum sums for reasonable monthly housing expenses per square metre, together with maximum floor areas. When these maximum housing expenses are confirmed, the location, size, age and amenity level of the dwelling can be taken into account. When maximum floor areas are confirmed, the size of the household must be taken into account.

Section 8 (13.2.1987/154)

The housing expenses referred to in section 6 shall be taken into account as reasonable housing expenses, though not insofar as they exceed the maximum housing expenses or reasonable housing floor space in square metres referred to in section 7, unless paragraph 2 requires otherwise.

If a household has sole possession of only part of a dwelling, the housing expenses referred to in section 6 shall be taken into account as reasonable housing expenses, though not in excess of a sum in Finnish marks confirmed annually by the Council of State according to the household's size and the location of the dwelling.

(Section 9 repealed June 17, 1977)

(Section 10 repealed December 8, 1989)

Chapter 4

Administration and operating expenses

Section 11 (9.8.1993/755)

General management, control and development of housing allowance operations rest with the Ministry of the Environment.

Other functions under this Act shall be handled by the Social Insurance Institution.

The Ministry of the Environment is entitled to use data on recipients of housing allowance in the decision-making and payment register of the Social Insurance Institution insofar as these are needed to perform the statistical, planning and development functions regarding housing allowance that rest with the Ministry. These data may not include any that allow a recipient to be identified.

Section 12 (9.8.1993/755)

Operating expenses arising from implementation of this Act shall be counted as Social Insurance Institution operating expenses.

(Section 13 repealed August 9, 1993)

Chapter 5

Applying for and granting housing allowance

Section 14 (9.8.1993/755)

Applications for housing allowance must be submitted to the local Social Insurance Institution office. The housing allowance is granted from the beginning of the month in which the application is submitted.

Section 15 (9.8.1993/755)

The amount of housing allowance shall be adjusted:

- 1) if some major change laid down in more detail by decree has taken place in the household's permanent monthly income;
- 2) if the number of people in the household changes permanently or if the household sub-lets or stops sub-letting part of the dwelling; or (8.12.1994/1121)

3) if a year has passed since housing allowance began or since the most recent adjustment in accordance with this paragraph.

Housing allowance adjusted under subparagraphs 1 and 2 of paragraph 1 shall be paid from the beginning of the month following the change in circumstances.

In addition to the adjustment referred to in paragraph 1, a general adjustment can be made to housing allowance because of a general change in housing costs, as laid down by the Council of State and as of a date specified by the Council of State.

Housing allowance shall be terminated:

1) from the beginning of the month following a move if the household moves away from the housing for which the housing allowance was granted;

2) from the beginning of the month as of which housing supplement under the Act on Financial Aid for Students is granted to a one-person household; or (21.1.1994/66)

3) from the beginning of the month in which the adjustment referred to in paragraph 1, subparagraph 3, comes into force, if the household does not provide the information needed to adjust the housing allowance within a reasonable time, despite being urged to do so by the Social Insurance Institution.

Chapter 6

Payment of housing allowance

Section 16 (9.8.1993/755)

Housing allowance is paid on the first or second weekday of every calendar month to an account in a Finnish financial institution specified by a representative of the household or a person so authorized by such representative. However, a single instalment of allowance can be paid in some other way if payment into an account is not possible, or if the recip-

ient provides some special reason accepted by the Social Insurance Institution.

If a recipient of allowance living in rental housing continuously fails to pay the rent, however, the housing allowance can be paid straight to the lessor.

The amount of housing allowance payable is rounded to the nearest full mark, that is, if the sum in excess of a full mark is 50 pennies or less, the amount is reduced to the nearest full mark, whereas if it is more than 50 pennies, the amount is increased to the nearest full mark. If the amount payable would be less than FIM 100, no allowance is paid.

Section 17 (9.8.1993/755)

The State compensates the Social Insurance Institution for the costs of benefits paid under this Act.

Five weekdays before the payment date referred to in section 16, the Social Insurance Institution shall notify the State of the sum of housing allowances payable that month.

On the basis of the notification referred to in paragraph 2, the State shall pay the Social Insurance Institution a sum in marks corresponding to that stated in the notification, at the latest one banking day before the date of payment of housing allowance.

(Section 18 repealed December 29, 1988)

Chapter 7 Recovery

Section 19 (9.8.1993/755)

If housing allowance has been paid unjustifiably or in too large an amount, the unjustifiably paid allowance shall be recovered. However, it is not possible to recover allowance paid more than five years before the reason for which payment of allowance was unjustified is disclosed.

Recovery can be waived entirely or partly if this is considered reasonable and the unjustified payment did not derive from fraudulent practices on the part of the recipient of allowance or his representative, or if the amount paid unjustifiably is negligible.

An amount to be recovered can be set off against instalments of allowance payable to the recipient later.

A legally valid decision concerning recovery can be put into effect like a legally valid court decision.

Chapter 8

Appeal and rectification of a decision

Section 20 (9.8.1993/755)

A person dissatisfied with a Social Insurance Institution decision may appeal it to the Appeal Tribunal referred to in the Sickness Insurance Act (364/63), and a person dissatisfied with the decision of this Board may appeal it to the Insurance Court. An Insurance Court decision cannot be appealed.

A petition of appeal against a Social Insurance Institution decision shall be submitted to a local office of the Institution and a petition of appeal against an Appeal Tribunal decision to the Insurance Court or local office of the Social Insurance Institution at the latest on the 30th day after the date on which the appellant was notified of the decision.

An appellant is considered to have been notified of a decision on the seventh day after the decision was posted to him at the address he gave, unless otherwise demonstrated.

A Social Insurance Institution decision shall be observed notwithstanding appeal until the matter has been settled by a legally valid decision.

Section 21 (9.8.1993/755)

The Social Insurance Institution shall process an appeal

against one of its decisions as a rectification matter. If the Social Insurance Institution then accepts the claims made in a submitted appeal, it must issue a rectification decision on the matter. This decision can be appealed as laid down in section 20.

If the Social Insurance Institution is unable to rectify the decision thus appealed in the manner referred to in paragraph 1, it shall, within 30 days of the end of the appeal period, submit the petition of appeal and its own opinion to the proper appellate body for processing.

Exceptions can be made to the fixed period referred to in paragraph 2 above if this is necessary in order to obtain supplementary information needed because of the appeal. The appellant must then be notified immediately that additional information is being acquired. However, the petition of appeal must always be submitted to the proper appellate body within 60 days of the end of the appeal period.

Section 22 (9.8.1993/755)

If a legally valid decision issued by the Social Insurance Institution by virtue of this Act is based on incorrect or deficient information or is manifestly contrary to the law, the Social Insurance Institution shall rectify the decision.

If a legally valid decision issued by the Appeal Tribunal or Insurance Court by virtue of this Act is faulty in the manner referred to in paragraph 1, the Insurance Court can, on the application of the person concerned or at the initiative of the Social Insurance Institution, and having heard the views of the person concerned, annul the legally valid decision and take up the matter for review, or order its review.

Chapter 9

Miscellaneous provisions

Section 23 (9.8.1993/755)

An applicant for or recipient of housing allowance shall provide the local office of the Social Insurance Institution with all the information needed for the granting or adjust-

ment of housing allowance, as specified by the Social Insurance Institution. The recipient of allowance is also required to report immediately any changes in his/her circumstances as referred to in section 15, paragraphs 1 and 4.

Whosoever deliberately gives the Social Insurance Institution or an appellate body in accordance with this Act false information in a matter concerning housing allowance, or fails to report a change in circumstances in accordance with paragraph 1, can be sentenced to a fine for fraudulent practices in a housing allowance matter unless a stricter punishment is laid down for the act elsewhere in the law.

Section 23a (9.8.1993/755)

Unless this causes unreasonable delay or the case has not been raised on the recipient's own initiative, a recipient of allowance must be given the opportunity to be heard on the matter if it concerns:

- 1) adjustment of the amount of allowance as referred to in section 15, paragraph 1, above, or the termination of allowance as referred to in paragraph 4 of the said section;
- 2) payment of allowance direct to the lessor as referred to in section 16, paragraph 2, above;
- 3) recovery as referred to in section 19, paragraph 3, above;
or
- 4) rectification as referred to in section 22, paragraph 1, above.

Section 24

Housing allowance may not be taken in execution.

Section 25 (9.8.1993/755)

All authorities of the State, local authorities and other public corporations, insurance and pensions institutions, pension foundations, employers and hospitals or other care

institutions are required to provide, free of charge, the Social Insurance Institution and an appellate body in accordance with this Act with any information in their possession needed to decide some matter concerning housing allowance.

By way of derogation from the provision of section 16 of the Personal Data File Act (471/87), the Social Insurance Institution can use any information in its possession regarding the applicant household's financial standing that is needed when it is making decisions on housing allowance. The correctness of such information must be checked when it is used. Only the same degree of information as would have to be given to the Social Insurance Institution under paragraph 1 can be used.

Section 25a (9.8.1993/755)

The persons performing functions under this Act may not, without permission from the person concerned, disclose to any third party a private or family secret of which they have become aware by virtue of their standing or functions.

What is provided in paragraph 1 shall not prevent disclosure of a matter to any party entitled to receive information concerning it under the law.

The punishment for breach of the confidentiality duty laid down in paragraph 1 shall be in accordance with chapter 38, section 2, paragraph 2, of the penal code, unless the act is punishable under chapter 40, section 5, of the penal code, or more severe punishment is provided for elsewhere other than chapter 38, section 1, of the penal code. (21.4.1995/727)

(Paragraph 4 repealed April 21, 1995)

Section 26

More detailed provisions on the enforcement of this Act will be issued by decree.

Chapter 10 Implementing provisions

Section 27

This Act comes into force on July 1, 1975. At the same time, the Act of December 30, 1961 on housing allowance for families with children (586/61) and any later amendments to it is repealed.

The implementing provision concerning the Act of August 9, 1993 (755/93), as amended by the act of March 25, 1994 (229/94), reads as follows:

This Act comes into force on January 1, 1994.

However, as of May 1, 1994, section 15, paragraph 1, subparagraph 3, of the Act shall apply to housing allowance granted before the Act comes into force in such a way that the first adjustment in accordance with the said subparagraph will be made as of the beginning of the calendar month of the same name as that in which the persons concerned moved into the housing. If the move was made between the beginning of January and the end of April before this Act comes into effect, the first adjustment as referred to above will, however, be made per May 1, 1994.

As of the date this Act comes into force, the Social Insurance Institution will settle all housing allowance matters. All applications being dealt with by a local authority when this Act comes into force shall be transferred to the Social Insurance Institution for processing. All current matters placed before the Municipal Board or a local committee in accordance with section 45, paragraph 2, of the Social Welfare Act (710/82), matters being dealt with by the rectification procedure and matters pending in a provincial administrative court shall continue to be processed in the municipality and in the relevant provincial administrative court in accordance with the provisions in force before this Act takes effect.

When functions related to housing allowance are taken out of

their hands, local authorities and the National Housing Board shall promptly surrender to the Social Insurance Institution all necessary information material in their possession concerning housing allowance.

Measures needed to enforce this Act may be taken before it comes into effect.