



PAM

COUNSELLING FOR MEMBERS FACING FINANCIAL DIFFICULTIES

Guide for administrators on counselling members

GENERAL RULE:

Anybody can end up in a situation where their money is simply not enough to cover their expenses. This situation is not worrying if the situation is not continuous.

**CHECK whether the situation is continuous.
If it is, advise the member to seek help
as soon as possible.**

This guidance contains the most common tips to help members to move on.
Note: the list is not exhaustive.

1. YOU MUST NOT PANIC by taking a payday loan

PAYDAY LOANS DON'T HELP because you only build up even more debt, and at high interest rates. The interest on payday loans is so high that you have to pay back over 100 % of the amount of the loan.

For example: if you take a loan of 19,000 euros at an interest rate of 20%

- **Amount of loan: 19,000 euros**
- **Loan repayment per month with interest and costs: 400 euros/month**
- **Payment period: 10 years**
- **Total price of loan: 48 000 euros.**

Example from: Guarantee Foundation

2. FOOD BANKS CAN HELP QUICKLY WITH FOOD SHORTAGES

Food banks

- **CAN HELP QUICKLY** with getting food if you have no money and you are not entitled to basic social assistance.
- **YOU CAN GET FREE FOOD** at food banks and communal canteens.
- **YOU CAN FIND FOOD BANKS** by locality here: <https://foodaid.fi>.

Diaconal support helps

- You can also get help from diaconal support. You can find the nearest parish at <https://evl.fi/seurakunnat>.



3. ON YOUR PAYDAY, STOCK UP ON DRY AND FROZEN FOOD

Fill up your freezer and stock up on dry food as soon as you get your wages

- **IF YOU WORK** and you are not entitled to social benefits (like basic social assistance), it pays to plan ahead as soon as you get your wages.

Make use of evening discounts

- **REMEMBER** that in the evening many grocery stores sell food that is best before tomorrow at a discount.

Follow discounts online

- **ONLINE** you can find stores selling discounted left-over food, like Fiksuruoka and Matsmart.

Make your food yourself at home

- **IF YOU BUY DRY FOOD FOR A MONTH** when you get your wages and make your food from scratch, your food is more likely to last you until your next payday.

4. PLAN YOUR MONTHLY BUDGET AHEAD AND TRACK THE MONEY YOU HAVE COMING IN AND GOING OUT

A budget calculator helps you to plan your spending and your income

- **PENNO.FI** is a handy free online app where you can easily track your income and spending: <https://penno.fi/home>.
- **GUARANTEE FOUNDATION BUDGET CALCULATOR:**
www.takuusaatio.fi/hallitserahojasi/omien-tulojen-ja-menojen-seuranta/budjettilaskuri

If you count your monthly income and spending, you can see where your money is going and how much money is left over after your essential expenditure.

5. SUPPORT WITH RENT

If money is tight, it might be hard to pay your rent too.

CONTACT YOUR LANDLORD before the due date and negotiate a later rent payment date or a different payment method, like paying your rent in instalments.

- You can ask your landlord for more time to pay if you are in temporary financial difficulties. If you constantly have problems with paying your rent, your landlord can terminate your rental agreement.
- Unpaid rent can affect your credit record, which can make it harder to get a new rental property.

APPLY TO KELA FOR HOUSING ALLOWANCE:

www.kela.fi/general-housing-allowance, see section 9.

6. SUPPORT IF YOU LIVE IN OWNER-OCCUPIED HOUSING

Contact your bank and ask about a payment holiday on your home loan

- If you know that your financial difficulties will only last a short time, you should contact your bank and ask about a payment holiday on your home loan, meaning you only pay interest and other normal bank charges.

Apply to Kela for housing allowance, see section 9.

7. INDEPENDENT ADVICE ON ELECTRICITY PRICES

The Energy Authority provides a wide range of advice and guidance

- Telephone helpline for electricity customers Mon–Thu 9–11 am, tel. 029 505 0250
- www.energiavirasto.fi

Motiva also provides advice and guidance (in Finnish)

- Telephone helpline Mon–Fri 9–12 am, tel. 09 6122 5150
- You can get tips on how to save electricity on Motiva’s website www.motiva.fi/en/home_and_household/you_can_save_energy_easily and the “Down a degree” campaign site www.astettaalemmas.fi/en/saving_tips

ENERGIANEUVONTA provides a wide range of energy advice for residents, housing companies and small companies in Helsinki, Espoo, Vantaa and Kauniainen (in Finnish).

- Telephone helpline Wednesdays 1–4 pm, tel. 09 1561 2561.
- www.energianeuvonta.fi – training sessions and other material also available.

8. ASSISTANCE WITH ELECTRICITY PRICES

(The government has decided to give people assistance with high electricity prices.)

Reduced VAT rate on electrical energy 1.12.2022-30.4.2023

- VAT reduced from 24% >> 10%.
- Change does not affect electricity transmission or electricity tax.

Kela assistance with electricity costs 1.1.-30.4.2023

- Assistance of **60%** available on monthly electricity bills **over 400** euros and **below 1500** euros.

e.g. electricity price 600 €/month:

The 400 € excess is not counted. Only 200 € is counted, making the payment (200 € x 60 %) = 120 €

- Assistance ONLY covers electricity price including VAT and basic electricity charge.
- Assistance does NOT cover basic charges for electricity transmission or other charges.
- Ask Kela for details.

Tax credit for electricity 1.1.-30.4.2023

- You can get a tax credit for electricity if your electricity bills for 4 months are over 2000 euros.
- The tax credit for electricity is 60% of your electricity bill for January-April over 2000 euros.

e.g. Electricity bills for January-April 2023 total 5000 €

- **Tax credit for electricity is calculated on expenses over 2000 €, i.e. 2000 € is not counted – only 3000 € is counted.**
- **Tax credit 60% x 3000 € = 1800 €. If you don't have any other tax credit for household expenses, your excess is 100 €, making the tax credit for electricity 1700 €.**

- Ask the tax authority for details.

9. AVOID FORCED DEBT RECOVERY IF YOUR BILLS ARE UNPAID

IF YOUR MONEY doesn't cover your payments and your bills are late, you could lose your credit rating and face forced debt recovery (distrain).

Avoid forced debt recovery

- **ASK FOR MORE TIME TO PAY**

- Postponing the payment date could help, but if money is short anyway, this isn't a permanent solution.

- **APPLY FOR A PAYMENT HOLIDAY**

- With a payment holiday you only pay charges on your loan, meaning the outstanding capital doesn't go down at all in that period.
- The risk is that the loan repayment period is extended and interest rate goes up too.

- **APPLY FOR SOCIAL SUPPORT**

- Apply for social security benefits like basic social assistance, housing allowance and in some cases also unemployment benefit. It always pays to check with Kela and PAM's unemployment fund (*if you work part-time*) if you are entitled to social security.
- Contact (*more details on debt issues in section 11*)
 - parish diaconal support
 - *diaconal support helps regardless of religious confession.*
 - public financial and debt counselling: <https://oikeus.fi/talous-javelkaneuvonta/en/index/yhteystiedot/yhteystiedot.html>
 - Guarantee Foundation
 - *debt helpline, free counselling helpline 0800 9 8009, weekdays 10 am–2 pm*
 - *Ask about money chat, Mon–Thu 12.30 pm–3 pm and Wed evenings 5 pm–7 pm*
 - www.takuusaatio.fi/palvelut-ja-materiaalit/velkalinja-ja-kysy-rahasta-chat



10. APPLY FOR SOCIAL BENEFITS

Unemployment benefit, unemployed or part-time

- **REGISTER** as an unemployed jobseeker with the TE Office.
- **APPLY** for earnings-related unemployment allowance or adjusted unemployment allowance from PAM's unemployment fund, if you meet the work requirement. (*Processing time is around 4 weeks.*)
- **IF THE WORK REQUIREMENT** is not met, apply to Kela for labour market subsidy.
- **APPLY** for a revised tax card for benefits (www.vero.fi), because without a revised tax card 25% tax is automatically deducted from social benefits.
- **IN THE WAITING PERIOD:** if necessary, apply for basic social assistance from Kela. Kela may recover the benefit from unemployment benefits. If Kela rejects your application, you may be entitled to municipal social assistance.

Housing support

- **IF YOU RENT**
 - Apply to Kela for housing allowance (*processing time around 4 weeks*)
 - **IN THE WAITING PERIOD:** if necessary, apply for basic social assistance from Kela. Kela may recover the benefit. If Kela rejects your application, you may still be entitled to municipal social assistance.
- **IF YOU ARE AN OWNER-OCCUPIER**
 - Apply to Kela for housing allowance (*processing time around 4 weeks*)
 - For condominiums, the housing expenses accepted are the maintenance charge including water charges and heating costs plus interest on financial charge.
 - For single-family homes, the housing expenses accepted are maintenance expenses and home loan interest (*if loan from publicly supervised credit institution, e.g. a bank*) as well as interest on financial expenses for home improvement loans. Non-accepted housing expenses include property tax, ground rent or loan insurance or similar charges.
 - **IN THE WAITING PERIOD:** if necessary, apply for basic social assistance from Kela. Kela may recover the benefit. If Kela rejects your application, you may still be entitled to municipal social assistance.

Child in early childhood education and care

- **MAIN RULE:** If family income is low, no need to pay for early childhood education and care.
- **IF HAVE PAID** for early childhood education and care and income goes down, should ask municipality to be exempted from paying.

Health status

- **MEDICAL EXAMINATION**

- Go to municipal health station if employer doesn't provide occupational healthcare for medical treatment.
- Apply to municipality to be exempted from customer charge if can't afford health station bill.
 - *Ask health station for more details.*
- Apply for social assistance for the bill if you are entitled to basic social assistance.
 - *Check your right to basic social assistance with Kela.*

- **BUYING MEDICINES**

- Apply for basic social assistance or a voucher for buying medicines if financial position poor.
 - *Check your right to basic social assistance with Kela.*

Other essential living expenses, like electricity, water, other loans, insurance policies etc.

- **APPLY FOR BASIC SOCIAL ASSISTANCE** for your bills if your income is not enough to pay your bills.
 - *Check your right to basic social assistance to cover essential expenses with Kela.*



11. APPLY FOR OTHER FINANCIAL ASSISTANCE

Diaconal support can help

- **CHECK** what assistance is available from diaconal support in your local parish.

Small loan from guarantee foundation

- **THE GUARANTEE FOUNDATION** (*Takuusäätiö, takuusaatio.fi*) grants loans for domestic purchases or expenses, like moving costs.
- **LOANS CAN BE** between 200 and 2000 euros and the loan period up to 2 years.
- **YOU MUST NOT** have a history of bad debts or forced debt recovery (*distrain*). In exceptional cases, the loan can be used to pay off small outstanding bills.

12. APPLY FOR COUNSELLING

Financial and debt counselling

- **THE PUBLIC LEGAL AID OFFICES'** financial and debt counselling service can help you to find ways to solve your debt problems. The counselling is free of charge.
- **CALL YOUR LOCAL** public legal aid office's financial and debt counselling number, lines are open weekdays 8.00 am–4.15 pm or click on the chat on the page.

Municipalities' guidance for their own services

- **MUNICIPALITIES** have provided guidance for the services they provide for their inhabitants in exceptional cases.
- **CHECK OUT** what services are available in the municipality where you live.

Guarantee foundation counselling service

- **PROVIDES ASSISTANCE** in financial matters
 - Debt helpline open weekdays 10 am–2 pm on 0800 98009
 - Ask about money is a chat service open Mon–Thu 12.30 pm–3 pm and Wed 5 pm–7 pm. Chat opens at bottom right-hand corner of takuusaatio.fi website.

13. DISCUSSION SUPPORT (by various organisations)

IF YOU ARE ANXIOUS, feel bad or stressed out, it's worth asking for help. Usually, these feelings affect sleep and depression. Mental health problems usually start gradually, which can make it hard to notice the need for help. On the other hand, it can be difficult to admit to oneself that the feelings don't go away with time. Then it's better to reach out and discuss the situation, even though it can feel overwhelming. The sooner you get help the sooner you can get rid of the unpleasant emotions.

Mieli ry (multilingual service)

- English language Crisis helpline is open Mondays and Tuesdays 11 am–3 pm, Wednesdays 1 pm–4 pm and 5 pm–9 pm, and Thursdays 10 am–3 pm. There are also helplines in Finnish (24h), Swedish, Arabic, Russian and Ukrainian.
- You can call anonymously and confidentially.
- Chat is open for those who feel more comfortable writing than talking.
- <https://mieli.fi/en/support-and-help/crisis-helpline>

Mielenterveyden keskusliitto (in Finnish)

- National mental health advice, weekdays 10am to 3 pm tel. 0203 91920
- Cost 8,35 cents per call + 16,69 cents per minute
- Valoa-chat, Thursdays 6pm–7pm
- Legal advice tel. 040 843 2104 (for social and health care clients)
- Social advice tel. 040 756 0578 (for social and health care clients)
- www.mtkl.fi/mista-apua

Nuortennetti ry (in Finnish and Swedish)

- Helpline for children and youth tel. 116 111. Open Weekdays 2pm–8pm and Weekends 5pm–8pm. Free of charge and confidential.
- Chat-service for children and youth.
- www.nuortennetti.fi/apua-ja-tukea/lasten-ja-nuorten-puhelin

Mental Hub

- The website provides an overview of mental health services and where to seek help with different issues.
- Some information available in Russian and Ukrainian. English-language content coming soon.
- www.mielenterveystalo.fi

14. CHECK IF YOUR UNION BRANCH CAN SUPPORT YOU

SOME BRANCHES support their members in various ways.



**Palvelualojen
ammattiliitto**
Servicefacket

