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# **Combatting non-take-up through customer-centric services and digital inclusion**

## **Case Finland / Kela**

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Ensuring access and combatting the non-take-up of social benefits**

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## Non-take-up in Finland

1. The effectiveness of social benefits decreases if those entitled to them do not apply, leading to non-take-up of social security.
2. There is limited domestic empirical research on the non-take-up of social security benefits.
3. Microsimulation methods, such as the SISU model in Finland, can be used to study non-take-up.
4. Microsimulation allows for calculating whether households are entitled to benefits and comparing it to whether they have actually applied for the benefits.

## Non-take-up in Finland

- The customer does not receive a benefit they are entitled to, for one reason or another. The most common reasons for non-take-up are:
  - The customer is unaware of their entitlement to the benefit.
  - The bureaucracy associated with applying and receiving rejected decision.
  - The complexity of the social security system.
  - (The stigma associated with applying.)
- The reasons for non-take-up are not only individual but also structural.

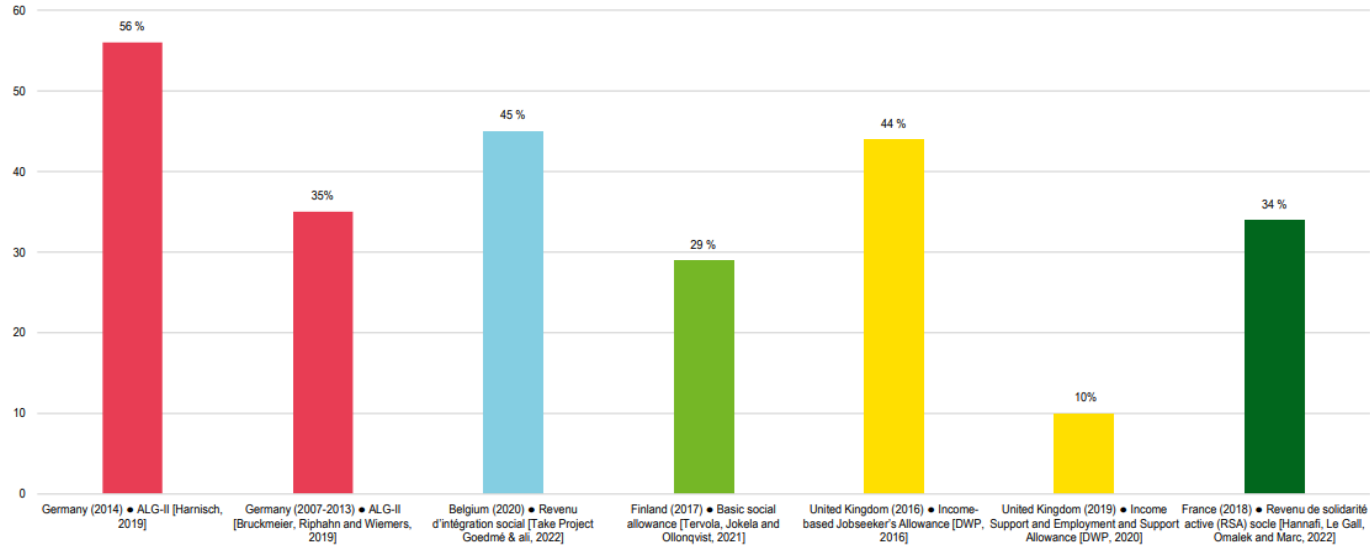
## Non-take-up in Finland – housing allowance, guaranteed pension

- In Paukkeri's (2018) doctoral dissertation, the non-take-up of general housing allowance and social assistance was examined for the years 2003-2011.
  - The take-up rates ranged from 70% to 90%, meaning that approximately 10% to 30% of those eligible for support did not apply for it.
  - Households whose incomes dropped only temporarily were more likely to leave the benefits unclaimed. This contradicts the temporary purpose of social assistance.
  - On the other hand, the households in most desperate need did apply for the benefits.
  - The same dissertation also includes a study on guaranteed pension information. Personalized letters played a significant role in applying for the guaranteed pension. Information is one way to reduce non-take-up

## Non-take-up in Finland – social assistance

1. Tervola's study compared the use of social assistance in Finland and Sweden.
2. About one-third of households eligible for long-term subsistence support did not utilize it.
3. Non-take-up on social assistance decreased in Finland, particularly in 2017, due to the fact that implementation was transferred from 300 municipalities to centralized Kela.
4. In international comparison, Finland has lower non-take-up of subsistence support than many other countries.

## Non-take-up : a widespread phenomenon in all the countries studied



## Non-take up in Finland – sickness benefit

1. 24% of sickness allowance rejections are due to non-take-up. Between 2017-2021 analysis focused on non-take-up cases in the Kela process.
2. Backlog of healthcare appointments contributes to non-take-up of sickness allowance.
3. Non-take-up is mostly resolved when customers engage with Kela.
4. 76% of rejected cases for non-take-up receive a new decision within two years.
5. COVID-19 pandemic has led to an increase in non-take-up on sickness allowance.
6. Difficulty in obtaining medical appointments is one of the reason for non-take-up: necessary medical statements are not easy to get in order to apply for the sickness benefit

## Non-take up in Finland – sickness benefit

1. Non-take-up is defined as rejection reasons related to missing necessary information or attachments in sickness allowance.
  1. A medical certificate is missing.
  2. The requested information has not been obtained.
  3. The application is missing.
2. 89% of those who reapplied received an approval or partial approval.
3. Increase in missing medical certificates, especially during the pandemic years.
4. Electronically transmitted medical certificates from physicians to Kela decreases non-take-up.



## Combatting non-take-up – tools for the battle

- **Input on customer information**
  - Easy-to-read language information
  - Easy-to-access information (chatbots, [www.kela.fi](http://www.kela.fi), f2f customer service etc.)
  - Guidance and counselling
  - Collaboration with other authorities - multisectoral client collaboration
- **Customer data-mining for the IT-systems**
  - comprehensive customer information
  - pre-filled applications / contacts on customers in order to inform the eligibility to benefits

## Combatting non-take-up – tools for the battle

- **Better online service**

- In family benefits we already planning a so called dialogue application in online services. The service goes through a dialogue with the customer and only asks questions related to that specific customer.

- **Legislative changes**

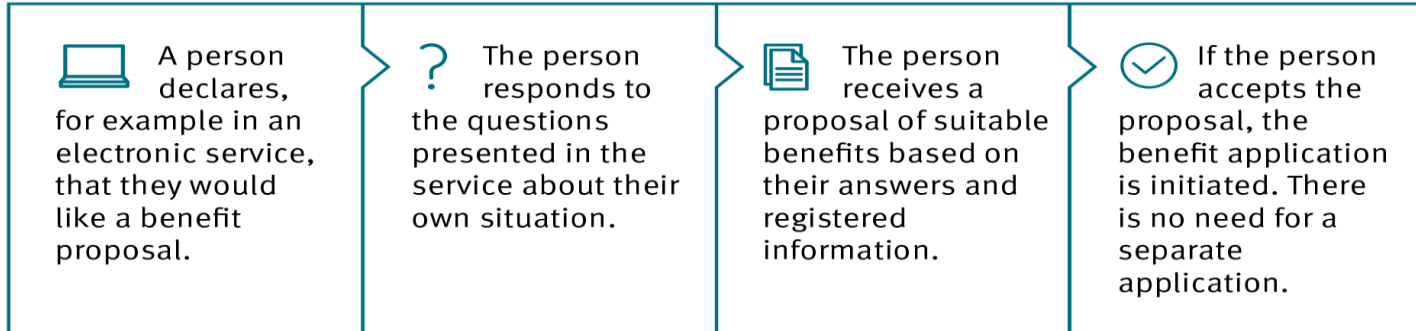
- Kela has suggested to proceed with the idea of benefit proposal
- Social security reform and combining basic social security benefits into one

## Combatting non-take-up – tools for the battle

- **Benefit proposal**

- With the help of technology, counseling could be provided efficiently, for example, through an electronic service, without the need for individuals to call customer service or visit a service point.
- Counseling could utilize technologies such as artificial intelligence and automation. This requires technological development work and resources.
- One option for benefits proposal is that individuals express their interest in a benefits proposal and receive one based on the information they provide and registry data in the service.

# Benefit proposal



## Combatting non-take-up – tools for the battle

- **Decision proposal**

- In a more advanced model, Kela would make a proposal for a benefit decision for the customer. Currently, individuals have to figure out which benefit they are entitled to and fill out an application form in order to receive benefits.
- Even more advanced benefits proposal models, based on the questions asked and registry data, Kela could directly propose a benefit decision to the customer. Thus, the benefit would no longer need to be applied for separately.

# Decision proposal



Kela automatically generates a benefit proposal for the person if the information available at Kela indicates that they would be eligible for a certain benefit.



If the person accepts the proposal, the benefit decision comes into effect.

## Combatting non-take-up – tools for the battle

- **Combining different social security benefits into one**
  - One of the proposals on the reform committee's mid-term report is to combine basic social security benefits: Unemployment benefit, sickness benefit, parental benefits, rehabilitation benefit
  - The long-term goal is to replace these risk-based benefits with one benefit
    - ✳ Reduce the complexity of social security system
    - ✳ Make system more understandable for customers
    - ✳ Combine procedures of different benefits (for example rules on applying and disbursement of benefits)
    - ✳ Guarantee basic benefit for waiting periods (periods caused by processing applications and gathering information for decision-making)



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