

## Financing adult learning database

<b>Name of the instrument - Local language</b>	Opintolainahyvitys / Opintolainavähennys
<b>Name of the instrument - English translation</b>	Study loan compensation / Study loan tax deduction
<b>Scheme ID</b>	221
<b>Country</b>	 Finland
<b>Reporting year</b>	2015
<b>Type of instrument</b>	Tax incentive for individuals
<b>Type of entry</b>	Single instrument

<b>Short description</b>	If an individual tax payer completes a higher education degree within the targeted time, a portion of the student loan will be compensated, either as a study loan compensation or as a study loan tax deduction, depending on when the education was started. The goal of the scheme is to encourage students to graduate within target time.
<b>Short description of the related instruments</b>	nap

<b>Level of operation</b>	National
<b>Name of a part of the country</b>	nap
<b>Name of the region (for regional instruments)</b>	nap
<b>Name of the sector (for sectoral instruments)</b>	nap
<b>Relevance</b>	Key scheme
<b>Legal basis</b>	Opintotukilaki ('Act on Student Financial Aid')
<b>Objective(s) and target(s)</b>	To encourage students to graduate within target time
<b>Year of implementation</b>	2005

<b>Year of latest amendment</b>	2014
<b>Operation/management</b>	<p>The Social Insurance Institution of Finland (KELA) manages the student financial aid system, hence also the study loan compensation / tax deduction. Higher education graduates who finish their degree studies within target time, and who took up a study loan along the way, are eligible for loan compensation or tax deduction. The goal of the scheme is to encourage students to graduate within target time. The study loan compensation is a repayment made by KELA. It only applies to students in higher education who have started their first higher education studies on 1. August 2014 or later. The study loan compensation is 40% of the qualifying debt exceeding EUR 2 500.</p> <p>If the first higher education studies was started before 1. August 2014, the graduate is entitled to a study loan tax deduction. When the higher education degree is completed within the target time and repayments are made on the study loan, the personal income tax is reduced by an amount equalling the amount of the student loan tax deduction.</p> <p>The study loan tax deduction is 30% of the qualifying debt exceeding EUR 2 500.</p> <p>As a rule, it is granted without application, but there are some exceptions to this.</p>
<b>Eligible group(s)</b>	Higher education graduates, who completed their degree within target time.
<b>Group(s) with preferential treatment</b>	None
<b>Education and training eligible</b>	Higher education
<b>Source of financing and collection mechanism</b>	State (loss of tax revenue) individual
<b>Financing formula and allocation mechanisms</b>	The study loan tax deduction is 30% of the qualifying debt exceeding EUR 2 500.
<b>Eligible costs</b>	Fees only
<b>Volumes of funding</b>	na
<b>Beneficiaries/take up</b>	na
<b>Organisation responsible for monitoring/evaluation</b>	The Social Insurance Institution of Finland (KELA).
<b>Monitoring/evaluation reports available</b>	na
<b>Most relevant webpage -</b>	<a href="http://www.kela.fi/web/en/student-loan-tax-deduction">http://www.kela.fi/web/en/student-loan-tax-deduction</a>

<b>in English</b>	
<b>Most relevant webpage - local language</b>	<a href="http://www.kela.fi/opintolainavahennys">http://www.kela.fi/opintolainavahennys</a> <a href="http://www.kela.fi/opintolainahyvitys">http://www.kela.fi/opintolainahyvitys</a>
<b>Recent changes</b>	<p>Individuals starting their first higher education studies on 1. August 2014 or later will receive a study loan compensation instead of a study loan tax deduction. Study loan tax deduction are eventually phased out.</p>
<b>Sources</b>	<a href="http://www.kela.fi/opintolainavahennys">http://www.kela.fi/opintolainavahennys</a> <hr/> <a href="http://www.kela.fi/opintolainahyvitys">http://www.kela.fi/opintolainahyvitys</a> <hr/> <a href="http://www.finlex.fi/sv/laki/ajantasa/1994/19940065">http://www.finlex.fi/sv/laki/ajantasa/1994/19940065</a>