

State-Financed Legal Aid Finland

Background

Finland's population is 5.52 million and its GDP is 257 USD (per capita 46,559 USD)

1. Design: The Finnish legal aid system is a mixed legal aid model. Legal aid services employ both public and private service providers. This means that the person entitled to state-funded legal aid in a court case can choose whether she wants to use the services of public or private lawyer. No distinction of primary vs. secondary legal aid services can be made.

Public providers are the Public Legal Aid (PLA) offices which are geographically located around the country (23 locations with around 160 branch offices). Offices are also divided under a six legal aid districts, with a Head of District manager in charge of each. Lawyers working at PLA offices are state (monthly) paid civil servants who can handle all type measures from legal advice to court proceedings. PLA office also employ so called legal aid secretaries who help legal aid customers and lawyers working in PLA office. There are currently 210 public lawyers and the same number of legal secretaries.

Private attorneys are advocates or other private attorneys. An advocate is a lawyer who is a member of the Finnish Bar Association and whose activities are supervised by the Bar Association and the Chancellor of Justice. All private attorneys who are not advocates and who deal with legal aid cases have to be licensed attorneys. A licensed attorney is a lawyer who has been granted a permit by the Licensed Attorneys Board to act as an attorney. Legal Aid lawyers do not have additional experience or caseload requirements. They are required to be fit to practice. The activities of public legal aid attorneys and licensed attorneys are supervised in the same manner as those of advocates. Half of the public legal aid attorneys are members of the Bar. There are around 2,100 attorneys (member of the Bar) and around 1,600 licensed lawyers who do legal aid – Altogether 3,800 lawyers do legal aid in Finland.

Private lawyers handling legal aid cases are just as any other private practitioners of law (bar members or authorized lawyers). The biggest distinction between the services of PLA offices and the private lawyers is that private lawyers are only allowed to handle legal aid cases involving court proceedings. This leaves all out-of-court issues, such as legal advising or document drafting, under the jurisdiction of PLA offices.

Access:

Basically legal aid can be applied for either submitting a legal aid application straight to the PLA office or filling in an electronic legal aid application form on the internet.

Legal aid can be paid fully or partially by the state and the eligibility is based on the applicant's available means and is assessed by net monthly income. This is calculated from the combination of monthly income after taxes, wealth and expenditure. Expenditure is calculated by deducting housing costs (no instalment of a mortgage), child care fees, recovery proceedings and loan arrangements from disposable income. Wealth is calculated after liabilities attached to its value are reduced. Primary residence and car are usually excluded from the wealth calculations. All who are obligated to pay an excess have to also pay a legal aid charge of 70 euros. Legal aid is secondary to the Legal expenses insurance, meaning that if person has an insurance that covers the matter at hand legal aid will not be granted (more about this further in the text)

Income levels for single persons and persons with spouses for fully or partially paid legal aid are as follows:

Income/Single person	Excess	Income/Spouses, per person	Excess
€600 at the most	0 %	€550 at the most	0 %
€800 at the most	20 %	€700 at the most	20 %
€900 at the most	30 %	€800 at the most	30 %
€1,050 at the most	40 %	€1,000 at the most	40 %
€1,150 at the most	55 %	€1,100 at the most	55 %
€1,300 at the most	75 %	€1,200 at the most	75 %

2. Cost structure of the system

Cases received and handled by legal aid offices			Cases handled by private lawyers
Year	received	handled	handled
2013	44 724	44 164	27 787
2014	46 438	46 734	31 884
2015	48 559	48 399	33 719

Year 2015

Cases handled by legal aid offices	2015	Cases handled by private lawyers	2015
1. Marriage and Family	12691	1. Criminal	21 659
2. Inheritance	10771	2. Marriage and Family	3743
3. Criminal	7466	3. Labour and equality	439
4. Demand payment	2810	4. Demand payment	339
5. Tenancy	2197	5. Adjustment of the debts of a private individual	312
6. Real estate	1672	6. Tenancy	309
7. Pension and social benefits	1478	7. Damages	300
8. Damages	1311	8. Foreign matters	132
9. Labour and equality	1273	9. Pension and social benefits	107
10. Personal estate	724	10. Real estate	93
11. Adjustment of the debts of a private individual	334	11. Inheritance	61
12. Foreign matters	0	12. Personal estate	59
13. Remaining	5672	13. Remaining	6166
	48 399		33 719

In addition to handling these 48 399 cases legal aid offices made 31 526 legal aid decisions for private attorneys (28009 granted, 3517 denied).

Labour costs altogether	22 089 397 € (includes all who work at legal aid offices = around 440 persons)
Overhead costs (e.g. rent, cleaning)	9 710 318 €
Incomes (e.g. partial or full deductibles)	<u>-5 450 615 €</u>

Cost of legal aid offices 2015	26 349 100 €
In 2015 private attorneys were paid	53 517 728 €
Both together	79 866 828 € / 82 118 cases

Finland's population 5 487 308 / costs per capita **14,55 €**

Lawyers working at public legal aid offices are civil servants (employment permanent or temporary). Private lawyers get a commission case per case (every case is based on a legal aid decision).

The funding of legal aid comes from the state budget via the Ministry of Justice. The fees are determined in compliance with the government decree on Legal Aid Fee Criteria. All public legal aid attorneys, who work at a state legal aid office, get a monthly salary paid by the state from the legal aid budget. A private attorney who deals with a legal aid case will be paid an hourly remuneration per case. At the moment, the hourly fee is 110 euros. A minimum fee per case is also possible (depending on the type of the case and the length of the court session 415 – 715 euros). A private attorney's fee is also paid from the legal aid budget by a decision of a court or a state legal aid office.

Alternative funding

The primary means for covering legal costs for individuals is the legal expenses insurance (LEI). Usually LEI is an automatic add-on product of household insurance which is why around 90% of Finns are covered by it. According to the insurance companies, it is very rare that a client would ask for the LEI to be removed from his or her household insurance. In addition, all companies do not allow the removing of LEI from the household insurance policies. The annual costs of LEI vary between EUR 20 and EUR 50 depending on the insurance company and its policy.

LEI does, however, incorporate many restrictions, which makes it suitable only for certain types of legal issues. First of all, to use LEI the person must prove that he or she has a legal dispute that can be resolved in court. In other words, out-of-court proceedings (e.g. legal advice, document drafting) are excluded from LEI policies. Also, family and inheritance issues are generally excluded, or they have to meet some strictly defined criteria. Cases between an employer and an employee are also excluded from LEI policies. On the other hand, a majority of workers in Finland are union members and union fees usually cover legal assistance in employment disputes. In criminal matters, LEI offers no coverage if there is a state prosecutor demanding a sentence. In these cases, the state pays the public defender representing the defendant. Depending on the insurance company and its policy, LEI can offer some coverage if the case is settled before the main hearing, but in such cases only 50% of all expenses are usually paid. The LEI does not cover the legal costs of the opposite party.

The usual maximum cover for legal costs under normal LEI policy conditions is around EUR 10,000, with an excess of 15% to 20% or a minimum of EUR 170–250. The criticism against the current maximum coverage is that it is sufficient only in the simplest disputes, whereas in the case of a more complicated issue, such as housing dispute, legal costs are usually much higher than EUR 10,000. Usually LEI policies are fairly similar between insurance companies, with no major differences in the terms. Basically there is just one model for everyone. However, some insurance companies have options for higher maximum coverage than the usual EUR 10,000, but these are not widely used or even market-ed by the companies. The higher sum is around EUR 17,000.