

## Finland

Exchange rate: US\$1.00 = 0.73 euros (€).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1937.

**Current laws:** 2006 (employees' pensions), implemented in 2007; 2007 (universal pensions), implemented in 2008; and 2007 (disability benefit), implemented in 2008.

**Type of program:** Universal and social insurance system.

#### Coverage

**Universal pension (income tested):** Residents of Finland for at least three years.

**Earnings-related pension:** Employed persons.

Special systems for maritime workers, self-employed persons, farmers, and public-sector employees.

#### Source of Funds

##### Insured person

*Universal pension:* None.

*Earnings-related pension:* 5.55% of gross monthly earnings for employees younger than age 53; 7.05% if aged 53 or older.

The minimum monthly earnings used to calculate contributions are €56.55.

There are no maximum earnings used to calculate contributions.

##### Self-employed person

*Universal pension:* None.

*Earnings-related pension:* Not applicable.

##### Employer

*Universal pension:* None.

*Earnings-related pension:* The average monthly contribution is 17.75% of monthly payroll.

The minimum monthly earnings used to calculate contributions are €56.55.

There are no maximum earnings used to calculate contributions.

#### Government

*Universal pension:* The total cost of the universal pension, housing allowance, disability allowance, dietary grant and pensioner care allowances.

*Earnings-related pension:* The total cost of unpaid periods of child care for persons caring for a child younger than age 3.

#### Qualifying Conditions

##### Old-age pension

*Universal old-age pension (income tested):* Age 65.

Employment may continue.

The pension is payable abroad if the beneficiary is a posted worker, civil servant, student or a dependent family member.

Early pension: Aged 63 to 64.

Deferred pension: The pension may be deferred from age 65.

Child's supplement: Paid for a child younger than age 16.

The old-age pension is payable abroad under a bilateral or multilateral agreement.

Housing allowance for pensioners: Paid to pensioners according to income, housing expenses, municipality, marital status, and the number of dependent family members.

*Care allowance for pensioners:* Paid to help pensioners with a functional impairment (inability to care for him or herself, perform necessary household chores, and run errands outside the home) that lasts for at least one year and is caused by an illness or disability. The functional impairment must include the regular need for assistance, guidance or supervision, and/or additional cost. It does not include the ability to work. The pensioner may live at home or in an institution. Must have lived in Finland for at least three years, and must not be receiving a partial disability pension, part-time old-age pension, or spouse's pension.

*Guaranteed pension (income tested):* Paid to a pensioner with low pension income, who lives permanently in Finland and has lived in Finland at least three years after the age of 16.

*Earnings-related pension:* Flexible retirement age, from age 63 to age 68.

Employment must cease.

Early pension: Age 62 only for persons born in 1951; no reduction for unemployment beneficiaries. Persons born in 1952 or later have no early pension benefit.

Part-time old-age pension: Age 60 for those born before 1954 and age 61 for those born since 1954. The insured must have reduced working hours and earnings from 35% to 70% of full-time earnings, have worked full-time for 12 of the last 18 months, with at least five years of coverage

in the last 15 years. Must not receive any other statutory earnings-related pension based on his/her own work history from Finland or any other country.

Deferred pension: May be deferred after age 68.

### Disability pension

*Universal disability pension (income tested):* Aged 16 to 64 and assessed with a permanent incapacity for suitable work. There is no partial pension.

*Disability allowance (aged 16 or older):* Aged 16 to 64, assessed with a disability and not receiving a full pension.

Social Insurance Institution (SII) doctors may assess the degree of incapacity at any time. Persons receiving the disability pension must inform the SII of any changes in circumstances that may affect entitlement.

*Child's supplement:* Paid for a child younger than age 16 with an illness or injury that requires care and rehabilitation for at least six months.

*Care allowance:* Paid to persons aged 16 or older receiving a full universal or earnings-related disability pension to help with a functional impairment (inability to care for him or herself, perform necessary household chores, and run errands outside the home) that lasts for at least one year and is caused by an illness or disability. The functional impairment must include the regular need for assistance, guidance or supervision, and/or additional cost. It does not include the ability to work. The pensioner may live at home or in an institution. Must have lived in Finland for at least three years, and must not be receiving a partial disability pension, part-time old-age pension, or spouse's pension.

*Dietary grant:* Aged 16 or older with celiac disease.

*Rehabilitation allowance:* Paid to an insured person undergoing rehabilitation for more than 30 days for an assessed disability.

*Disability allowance (younger than age 16):* Paid if assessed with a disability.

*Guaranteed pension (income tested):* Must have an assessed disability, low pension income, live permanently in Finland and have lived in Finland at least three years after the age of 16.

*Earnings-related disability pension:* Aged 18 to 62 with an assessed loss of working capacity of at least 60% and no longer entitled to the sickness allowance. The old-age pension replaces the disability pension when the insured reaches age 63.

*Partial disability:* Aged 18 to 62 with an assessed loss of working capacity of 40% to 59%.

*Rehabilitation benefit:* Assessed with a disability and experiencing a short-term loss of working capacity due to illness or injury.

The insured's doctor must provide a treatment or rehabilitation plan that promotes the return to work. The pension provider assesses the insured's capacity for work.

Disability allowances are payable abroad for up to one year. Disability pensions may be paid for longer than a year under an international or bi-lateral agreement under certain circumstances.

### Survivor pension

*Universal spouse's pension (income tested):* The insured was a resident of Finland for at least three years after age 16.

Paid to a widow(er) younger than age 65 who was married to the deceased before age 65 and is caring for a child younger than age 18; if childless, at least age 50 at the time of the spouse's death. Must have been married to the deceased for at least five years and lived in Finland at the date of death or moved to Finland within a year of the death and lived in Finland for at least three years after age 16.

*Universal orphan's pension:* Paid to a child younger than age 18 (age 20 if a full-time student) and a resident of Finland or moved to Finland within a year of the insured's death.

*Orphan's supplement (income tested):* Younger than age 18.

*Earnings-related spouse's pension:* The deceased was insured or a pensioner at the time of death. Paid to a widow(er) who had a child with the deceased and was married (or in a registered partnership) before the deceased's 65th birthday; if childless, married to the deceased for at least five years (or in a registered partnership), younger than age 50 at the date of marriage, and aged 50 or older or a disability pensioner for at least three years at the date of death. The pension is paid to a former spouse if he or she received alimony from the deceased.

*Earnings-related orphan's pension:* Paid to a child younger than age 18.

Survivor pensions are payable abroad for up to one year; may be paid for longer under an international or bi-lateral agreement under certain circumstances.

### Old-Age Benefits

**Universal old-age pension (income tested):** €6.74 to €633.91 a month is paid, according to marital status and the value of other pension income received. (The pension is not paid if the other pension income exceeds €1,166.90 or €1,310.25 a month, according to marital status).

*Early pension:* The pension is permanently reduced by 0.4% for each month the pension is taken before age 65.

*Deferred pension:* The pension is increased by 0.6% for each month the pension is deferred after age 65.

*Child's supplement:* €22.11 a month is paid.

Housing allowance for pensioners: €3.37 to €720.49 a month is paid, according to income, housing expenses, municipality, marital status, and the number of family members.

**Care allowance for pensioners:** €62.21 (daily need for assistance), €154.86 (weekly need for assistance), or €327.46 (constant attendance) a month is paid.

**Guarantee pension (income tested):** €6.74 to €743.38 a month is paid, according to the value of other pension income received.

Benefit adjustment: Benefits are adjusted each year according to changes in the national pension index linked to the cost-of-living index.

**Earnings-related old-age pension:** From age 18 to 52, the accrual rate on the insured's annual earnings is 1.5%; from age 53 to 62, 1.9%; from age 63 to 67, 4.5%. The benefit is based on average lifetime earnings. Credits may be given for periods of maternity, paternity, sick leave, unemployment, and caregiving.

There is no maximum earnings-related pension.

Initial old-age pensions are adjusted according to life expectancy.

Early pension: The pension is reduced by 0.6% for each month the pension is taken before age 63, up to 4.5%.

Deferred pension: The pension is increased by 0.4% for each month the pension is deferred after age 68.

Part-time old-age pension: 50% of the difference between the former full-time income and the current part-time income is paid.

The accrual rate for part-time earnings is the same as for full-time earnings. For persons born from 1947 to 1952, an additional 0.75% accrual rate is applied.

Benefit adjustment: Benefits are adjusted according to a weighted index to changes in the consumer price index (80%) and wages (20%).

### **Permanent Disability Benefits**

**Universal disability pension (income tested):** €6.74 to €633.91 a month is paid, according to marital status and the value of other pension income received. (The pension is not paid if the other pension income exceeds €1,166.90 or €1,310.25 a month, according to marital status).

**Disability allowance (aged 16 or older):** €92.88 (significant hardship and continuous expenses), €216.73 (considerable hardship and weekly supervision required), or €420.26 (substantial outside assistance on a daily basis) a month is paid, depending on the insured's circumstances.

Child's supplement: €22.11 a month is paid.

Housing allowance for pensioners: €3.37 to €720.49 a month is paid, according to income, housing expenses,

municipality, marital status, and the number of family members.

**Care allowance:** €62.21, €154.86, or €327.46 a month is paid, according to the extent of care needed.

**Dietary grant:** €23.60 a month is paid.

**Rehabilitation allowance:** 10% of the universal disability pension is paid.

**Disability allowance (younger than aged 16):** €92.88, €216.73, or €420.26 a month is paid, depending on the insured's circumstances.

**Guarantee pension (income tested):** From €6.74 to €743.38 a month is paid, according to the value of other pension income received.

Benefit adjustment: Benefits are adjusted each year to according changes in the national pension index linked to the cost-of-living index.

**Earnings-related disability pension:** The benefit is based on the accrual rate. From age 18 to 52, the accrual rate on the insured's annual earnings is 1.5%; from age 53 to 62, 1.9%; for projected service, 1.5%.

There is no maximum earnings-related disability pension.

Initial disability pensions are adjusted according to life expectancy except for the projected service part of the pension.

The pension is reduced if the insured's earnings from employment are greater than €743.38 a month.

Partial disability pension: 50% of the full pension is paid for an assessed loss of working capacity from 40% to 59%. The insured can receive earnings from employment of up to 60% of the pension. The disability pension is automatically converted into old-age pension when the insured reaches 63, and if the disability began in 2006 or after. If the insured has taken the disability pension before 2006, the pension is converted into old-age pension when the insured reaches age 65.

**Rehabilitation benefit:** The benefit depends on the assessed degree of disability. An additional 33% of the pension is paid for periods of active vocational rehabilitation.

Benefit adjustment: Benefits are adjusted each year according to changes in the national pension index adjusted to the cost of living index.

### **Survivor Benefits**

**Universal spouse's pension (income tested):** Up to €326.94 a month is paid to a widow(er) for the first six months following the spouse's death; a housing allowance may also be paid. The pension is income tested from the seventh month; a surviving spouse caring for a dependent child is paid at least €102.41. The value of the pension also varies according to the deceased's length of residence in Finland.

Income test: The pension is reduced to 50% of the difference between other pension income and €55.91 a month. The pension is paid for other income up to (€962.16 or €1,118.83, according to marital status and the age of children).

**Universal orphan's pension:** €60.15 a month is paid to a child younger than age 18 (age 21 if a full-time student); up to €120.30 a month for a full orphan.

Orphan's pension supplement (income tested): Up to €90.99 (half orphan) or €181.98 (full orphan) a month is paid for a child younger than age 18.

Income test: The orphan's pension is reduced to 50% of the difference between other pension income and €55.91 a month. The pension is paid for other income up to €237.83 a month.

Benefit adjustment: Benefits are adjusted each year according to changes in the national pension index linked to the cost-of-living index.

**Earnings-related spouse's pension:** Up to 50% of the earnings-related old-age or disability pension the deceased received or was entitled to receive is paid to a widow(er).

The spouse's pension may be split between the surviving spouse and a divorced spouse receiving alimony, depending on the amount of the alimony.

Income test: The pension is reduced to 50% of the difference between other pension income (even if not in payment) and €675 a month.

There is no income test for the first six months if the surviving spouse is younger than age 65 and is not receiving a pension in their own right. If the survivor has dependent children, there is no income test before the youngest child reaches age 18.

**Earnings-related orphan's pension:** 33.3% of the earnings-related old-age or disability pension the deceased received or was entitled to receive is paid to a single orphan; a total of up to 83.3% of the deceased's pension is paid to four or more orphans.

The maximum combined orphan's and spouse's earnings-related pension is 100% of the earnings-related old-age or disability pension the deceased received or was entitled to receive.

Benefit adjustment: Benefits are adjusted each year according to changes in the national pension index linked to the cost-of-living index.

### Administrative Organization

Ministry of Social Affairs and Health (<http://www.stm.fi>) provides general supervision.

**Universal pensions:** Social Insurance Institution (<http://www.kela.fi>), managed by a governing body appointed by parliament, administers universal pensions through district offices.

Local boards determine claims for old-age and survivor pensions. The central administration determines disability pension claims.

**Earnings-related pensions:** Finnish Centre for Pensions (<http://www.etk.fi>), managed by a tripartite board, oversees the earnings-related pension system.

Licensed non-profit insurance companies, pension funds, and foundations serve as carriers for the earnings-related pension plans.

Financial Supervision Authority (<http://www.finanssivalvonta.fi>) supervises the carriers.

## Sickness and Maternity

### Regulatory Framework

**First law:** 1963 (medical benefits)

**Current laws:** 1972 (municipal healthcare); 1983 (maternity), implemented in 1984; 1989 (hospital care), implemented in 1991; and 2004 (sickness), implemented in 2005.

**Type of program:** Social insurance system.

Note: Health care is provided by both a private-sector sickness insurance program and a public-sector (municipal) health services program financed primarily by local and national taxes.

### Coverage

**Cash sickness and maternity benefits:** All residents of Finland.

**Medical benefits:** Residents or persons working in Finland.

### Source of Funds

#### Insured person

**Cash sickness and maternity benefits:** 0.84% of gross monthly earnings.

**Medical benefits:** 1.32% of gross monthly earnings; 1.49% of gross monthly earnings for pensioners and other social insurance beneficiaries.

There are no maximum earnings used to calculate contributions.

#### Self-employed person

**Cash sickness and maternity benefits:** 0.92% of gross monthly earnings.

**Medical benefits:** 1.32% of net monthly earnings.

There are no maximum earnings used to calculate contributions.

### Employer

*Cash sickness and maternity benefits:* 2.14% of monthly payroll (private employers and local and central government).

There are no maximum earnings used to calculate contributions.

*Medical benefits:* None.

### Government

*Cash sickness and maternity benefits:* Provides subsidies as needed; 100% of the cost of minimum daily allowances.

*Medical benefits:* 50% of the cost of medical benefits.

### Qualifying Conditions

**Cash sickness benefits:** Must have been employed during the last three months, or involuntarily unemployed. The incapacity for work must be certified by a doctor from the ninth day.

**Cash sickness allowances (means tested):** The insured is ineligible for cash sickness benefits and earns less than €1,386 a year.

**Rehabilitation benefits:** Must be receiving medical treatment and/or vocational training under a social security rehabilitation program.

**Special sickness benefits:** Paid to parents caring for a sick child younger than age 16 in a hospital or at home.

**Cash maternity benefits:** Must reside in Finland; new residents have a 180-day waiting period.

**Medical benefits:** Must reside or work in Finland.

### Sickness and Maternity Benefits

**Sickness benefit:** 70% of the insured's daily earnings is paid for annual earnings up to €36,071, 40% for annual earnings of €36,072 to €55,498, and 25% for annual earnings of €55,499 or more.

The benefit is paid after a 10-day waiting period for up to 300 days (excluding Sundays). Insured persons who have been unemployed during the last four months receive at least 86% of the unemployment benefit. (The employer pays 100% of earnings for the first nine days for employees who have worked for at least a month; otherwise, 50%).

An insured person who returns to work for at least 30 days after receiving a sickness benefit for 300 days is entitled to an additional 50 days of the sickness benefit.

The minimum daily benefit is €23.92.

**Partial sickness benefit:** 50% of the sickness benefit is paid after a 10-day waiting period for up to 120 days (excluding Sundays) to an employed or self-employed person, who temporarily reduces part-time work 40% to 60%.

**Sickness allowance (means tested):** €23.92 a day is paid on the 56th day of incapacity.

**Rehabilitation benefit:** 70% of the insured's daily earnings is paid for annual earnings up to €36,071, 40% for annual earnings of €36,072 to €55,498, and 25% for annual earnings of €55,499 or more. 75% of daily earnings is paid during vocational rehabilitation.

The minimum daily benefit is €23.92.

**Special sickness benefit:** 70% of the insured's daily earnings is paid for annual earnings up to €36,071, 40% for annual earnings of €36,072 to €55,498, and 25% for annual earnings of €55,499 or more. The benefit is paid for up to 60 days in a hospital and 60 days at home (90 days for ongoing treatment).

The minimum daily benefit is €23.92.

**Maternity benefit:** 70% of daily earnings is paid for annual earnings up to €36,071, 40% for annual earnings of €36,072 to €55,498, and 25% for annual earnings of €55,499 or more.

The minimum daily benefit is €23.92.

The benefit is paid to an expectant mother from 30 days to 50 days before the expected date of childbirth for up to 105 days.

A special maternity allowance is paid throughout the pregnancy if the mother is exposed to risk factors that cannot be eliminated.

**Paternity allowance:** Paid for up to 18 days; may be extended for up to 12 days.

**Parent's allowance:** After entitlement to maternity benefits ceases, the parent's allowance is paid to either parent for 158 days (excluding Sundays). The allowance is paid for an additional 60 days for multiple births and from 100 days to 234 days for adopting a child.

### Workers' Medical Benefits

Cash reimbursements are provided for certain medical expenses according to a schedule in law including 60% of private doctors' fees and 60% of private dental fees (up to a maximum according to a schedule of fixed charges); 75% of the cost of prescribed examinations and prescribed treatments greater than €13.46 (up to a maximum according to a schedule of fixed charges); 35% to 100% of the cost of medicine greater than €3, according to a schedule; and 100% of transportation costs greater than €14.25.

If total annual copayments exceed €610 for medicine, 100% of the cost above €610 is reimbursed (the insured's copayment is €1.50 for each prescription); €242.25 for transportation (no copayment).

Sickness insurance also covers 50% of the occupational health care costs incurred by the employer.

For municipal health services, the fee for a doctor's visit is €14.70 for each of the first three visits or an annual fee of

€29.30. For emergency services, the fee is €20.20 for each visit. All other services are free.

For hospital care, the fees are €29.30 a day for outpatient treatment, €34.80 a day for inpatient treatment, and €96.30 a day for outpatient surgery.

Prenatal and postpartum maternity health care at medical centers is free.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

Ministry of Social Affairs and Health (<http://www.stm.fi>) provides general supervision.

**Sickness insurance:** Social Insurance Institution (<http://www.kela.fi>) administers the program nationally, reimburses employees' sickness funds, and reimburses employers providing medical benefits directly to their employees.

**Medical benefits:** Municipalities or the federation of municipalities provide services.

### **Work Injury**

#### **Regulatory Framework**

**First law:** 1895.

**Current laws:** 1948 (employment accidents) and 1988 (occupational diseases).

**Type of program:** Employer-liability and mandatory insurance with a private carrier system.

#### **Coverage**

All employed persons and civil servants.

Voluntary coverage for self-employed persons.

Special systems for farmers and scholarship recipients.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Self-employed persons pay the total cost of the annual premium, which varies according to the profession's assessed degree of risk.

There are no maximum earnings used to calculate contributions.

**Employer:** 0.1% to 7% of annual payroll, according to the profession's assessed degree of risk.

There are no maximum earnings used to calculate contributions.

**Government:** None.

### **Qualifying Conditions**

**Work injury benefits:** There is no minimum qualifying period. Accidents that occur while commuting to and from work are covered.

### **Temporary Disability Benefits**

The benefit is paid from the first day of incapacity for up to one year or until certification of a permanent disability. The insured must be assessed with a loss of working capacity of at least 10% and a reduction in earnings of at least 5%. The incapacity must last at least three days after the accident occurred or the occupational disease began.

For the first four weeks the benefit is the same as under sickness benefits; if sick pay has not been paid, the benefit is the insured's earnings in the four weeks prior to the accident or the onset of the occupational disease. Thereafter, the daily benefit is 2.7% of the insured's annual earnings.

The minimum annual earnings used to calculate benefits are €12,440.

There are no maximum annual earnings used to calculate benefits.

The degree of disability is assessed by the insurance company based on a statement issued by the insured's doctor.

**Benefit adjustment:** Benefits are adjusted each year to according changes in the national pension index linked to the cost-of-living index.

### **Permanent Disability Benefits**

**Permanent disability pension:** If assessed with a total disability, the basic pension is 85% of the insured's annual earnings up to age 65; thereafter, 70% of earnings.

Annual earnings are the earnings the insured would have earned in one year if they had not been assessed with a disability.

The minimum annual earnings used to calculate the pension are €12,440.

There are no maximum annual earnings used to calculate benefits.

**Partial disability:** A reduced pension is paid for a partial disability of 10% or more.

The degree of disability is assessed by the insurance company based on a statement issued by the insured's doctor.

**Constant-attendance supplement:** €28.96 a day is paid if the insured requires the constant attendance of others to perform daily functions.

**Handicap benefit:** Paid for a permanent disability, according to 20 categories of disability. The value of the benefit varies according to age. Up to 60% of the minimum annual earnings used to calculate the permanent disability pension (€12,440) is paid.

Benefit adjustment: Benefits are adjusted each year to according changes in the national pension index linked to the cost-of-living index.

### **Workers' Medical Benefits**

Free unlimited medical care and the cost of rehabilitation.

### **Survivor Benefits**

**Spouse's pension:** 40% of the deceased's annual earnings is paid to a widow(er) without dependents.

**Orphan's pension:** 25% of the deceased's annual earnings is paid to one child younger than age 18 (age 25 if a student or disabled); a total of 40% to two children; 50% for three; and 55% for four or more.

All survivor benefits combined must not exceed 70% of the deceased's earnings.

**Funeral grant:** A lump sum of €4,760 is normally paid to the deceased's estate.

Benefit adjustment: Benefits are adjusted each year to according changes in the national pension index linked to the cost-of-living index.

### **Administrative Organization**

Ministry of Social Affairs and Health (<http://www.stm.fi>) provides general supervision.

Federation of Accident Insurance Institutions (<http://www.tvl.fi>) coordinates statutory accident insurance legislation.

Licensed private companies administer work injury insurance.

## **Unemployment**

---

### **Regulatory Framework**

**First laws:** 1917 (unemployment insurance) and 1960 (unemployment assistance).

**Current laws:** 1997 (unemployment), 1998 (financing), 1998 (unemployment insurance fund), and 2002 (assistance).

**Type of program:** Voluntary subsidized insurance (unemployment fund) and social assistance system.

### **Coverage**

**Basic unemployment:** All employed workers, self-employed persons and entrepreneurs.

**Earnings-related unemployment allowance:** All employed workers, self-employed persons, and entrepreneurs. Must be a member of an unemployment fund. (Membership is voluntary.)

**Unemployment assistance (means tested):** Job seekers who have never worked and insured persons who

have exhausted entitlement to basic and earnings-related benefits.

### **Source of Funds**

#### **Insured person**

*Basic unemployment benefit:* None.

*Earnings-related unemployment allowance:* An average contribution of 0.2% to 0.4% of earnings to an unemployment insurance fund. 0.5% of earnings to the Unemployment Insurance Fund (TVR).

There are no maximum earnings used to calculate contributions.

*Unemployment assistance:* None.

#### **Self-employed person**

*Basic unemployment benefit:* None.

*Earnings-related unemployment benefit:* 2.7% to 2.75% of income to an unemployment insurance fund.

There are no maximum earnings used to calculate contributions.

*Unemployment assistance:* None.

#### **Employer**

*Basic unemployment benefit:* None.

*Earnings-related unemployment allowance:* An average of 2.2% of total payroll (0.75% when the sum of all salaries is €1,955,500 or less; 2.95% for a sum greater than €1,955,500) to the Unemployment Insurance Fund (TVR).

There are no maximum earnings used to calculate contributions.

*Unemployment assistance:* None.

#### **Government**

*Basic unemployment benefit:* A state subsidy corresponds to the basic daily allowance, €32.66 a day.

*Earnings-related unemployment allowance:* A state subsidy corresponds to the basic daily allowance, €32.66 a day.

*Unemployment assistance:* A state subsidy corresponds to the basic daily allowance, €32.66 a day.

### **Qualifying Conditions**

**Basic benefit:** A resident of Finland with at least 26 weeks of work in the 28 months before unemployment began; entrepreneurs, membership in a single unemployment insurance fund for at least 18 months of the last 48 months.

Unemployment is not due to voluntary leaving, work stoppage, or the refusal of a suitable job offer.

**Earnings-related allowance:** A resident of Finland with at least 26 weeks of work in the 28 months before unemployment began; entrepreneurs, at least 18 of the last 48 months.

The insured was a member of an unemployment fund for at least 26 weeks.

**Increased earnings-related allowance:** At least 20 years of work and a member of an unemployment fund at least five years (up to 90 days of increased benefit) or took part in a service promoting employment (up to 200 days of increased benefit).

**Unemployment assistance (means tested):** A resident of Finland. Job seekers younger than age 25 must have completed vocational training and must not have refused a suitable job offer.

### Unemployment Benefits

**Unemployment benefit (basic benefit):** €32.66 a day is paid.

Supplementary allowance: €4.78 a day is paid.

Child's supplement: A daily supplement of €5.27 is paid for one dependent child; €7.74 for two; €9.98 for three or more dependent children.

**Earnings-related benefit (unemployment fund):** If the insured's monthly earnings are less than €3,429.30, the basic daily benefit is €32.66 plus 45% of the insured's daily wage; if monthly earnings are €3,429.30 or more, the daily benefit is €89.74 plus 20% of daily earnings in excess of €159.50.

**Increased earnings-related allowance:** 65% of the difference between the insured's daily wage and the basic daily benefit is paid. If the insured's monthly wage exceeds €3,429.30, the benefit decreases to 37.5% of the difference between the daily wage and the basic daily benefit.

Child's supplement: A daily supplement of €5.27 is paid for one dependent child; €7.74 for two; €9.98 for three or more dependent children.

The maximum benefit, including the dependent child's supplement, is 90% of the insured's daily wage.

All unemployment benefits are paid after a five-day waiting period. Basic unemployment benefit and earnings-related unemployment allowance are paid five days a week for up to 500 days.

**Unemployment assistance (means tested):** Up to €32.66 a day is paid if the insured's monthly earnings are less than €311 for an unmarried person; €1,174 a day for a family with one child. The benefit is paid after a five-day waiting period. There is no limit to duration.

Child's supplement: A daily supplement of €5.27 is paid for one dependent child; €7.74 for two; €9.98 for three or more dependent children.

Supplementary allowance: €4.78.

### Administrative Organization

Ministry of Social Affairs and Health (<http://www.stm.fi>) supervises unemployment insurance.

Social Insurance Institution (<http://www.kela.fi>), through its local offices, administers the basic benefit and unemployment programs.

Approved unemployment funds (<http://www.tvr.fi>) administer the voluntary program.

Unemployment Insurance Fund (<http://www.tvr.fi>) collects contributions and pays benefits.

### Family Allowances

#### Regulatory Framework

**First law:** 1948.

**Current laws:** 1992 (child allowances), implemented in 1993, and 1996 (child home care allowance), implemented in 1997.

**Type of program:** Universal system.

#### Coverage

All residents of Finland with one or more children.

#### Source of Funds

**Insured person:** None.

**Self-employed person:** None.

**Employer:** None.

**Government:** The total cost of family allowances, birth grant, and adoption grant. Municipal authorities meet the total cost of the child home care allowance.

#### Qualifying Conditions

**Family allowances:** The child must be younger than age 17 and reside in Finland.

**Birth grant:** Paid to a pregnant woman (pregnancy lasts for at least 154 days) who has undergone necessary medical examinations and for adopting a child younger than age 18. The grant is increased for multiple births or adoptions.

**Adoption grant:** Paid to cover the expenses of adopting a child from abroad.

**Child home care allowance:** Paid for a child under age 3 who is not in municipal day care. The care must be provided by parents, other relatives, or a private child-care provider.

Partial home care allowance: Paid to a parent with a child in the first or second year of school, and who has reduced his or her working hours to 30 hours a week or less. Must not be receiving child home care allowance or parent's allowance.



### **Family Allowance Benefits**

**Family allowances:** €1,250.28 a year is paid for one child, €2,631.84 for two, €4,394.76 for three, €6,414 for four, and €2,275.56 for each additional child.

Single-parent supplement: €582.60 a year is paid for each qualifying child.

**Birth grant:** The mother can choose between clothing and other necessities (layette) for the newborn and a cash benefit of €140.

**Adoption grant:** A lump sum from €1,900 to €4,500 is paid.

**Child home care allowance:** A basic amount of €4,092.72 a year is paid for one child younger than age 3; a supplement of €1,225.32 a year is paid for each additional child

younger than age 3, and €787.32 a year is paid for each additional child aged 3 to 7.

Means-tested supplement: Up to €182 a month is paid.

*Partial home care allowance:* €97 a month is paid to a parent who has reduced his or her working hours up to 30 hours a week.

### **Administrative Organization**

Ministry of Social Affairs and Health (<http://www.stm.fi>) provides general supervision.

Social Insurance Institution (<http://www.kela.fi>) administers the program nationally.