

Finland

Exchange rate: US\$1.00 = 0.77 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 mandatory occupational pension system.

Coverage

Universal pension (income-tested): All persons residing in Finland for at least three years after age 16; persons whose disabilities began while living in Finland and before reaching age 19, regardless of the length of residence in Finland.

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: 5.15% of gross monthly earnings for employees younger than age 53; 6.5% of gross monthly earnings for employees aged 53 or older.

The minimum monthly earnings used to calculate contributions are €54.08.

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 17.65%.

The minimum monthly earnings used to calculate contributions are €54.08.

There are no maximum earnings used to calculate contributions.

Government

Universal pension: Total cost of universal pensions, housing allowances, disability allowances, pensioner care allowances, and war veterans' benefits.

Earnings-related pension: The total cost of covered study periods for students and 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 for a year if the person was a resident of Finland for at least one year before moving abroad.

Early pension: Aged 62 to 64.

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

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

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

Unemployment pension: Persons born before 1950, aged 60 to 64 if the insured is no longer entitled to the unemployment basic benefit (after at least 500 days of benefit or reaching age 60) and has worked for at least five of the last 15 years.

Care allowance: Aged 16 or older with an assessed disability or long-term illness.

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: A flexible retirement age, from age 63 to age 68.

Employment must cease.

Early pension: A reduced earnings-related pension is paid at age 62; no reduction for unemployment beneficiaries.

Part-time old-age pension: Age 58 for those born before 1953 and age 60 for those born in 1953 or later. The insured must have a reduced work schedule (16 to 28 hours a week and earning between 35% and 70% of full-time earnings), be employed full time for 12 of the last 18 months, and be covered during at least five of the last 15 years.

Deferred pension: The 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. The universal pension can be awarded for a limited or an indefinite period.

Disability allowance (aged 16 or older): Paid to nonpensioners or persons with disabilities not receiving a full pension who are aged 16 to 64.

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.

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

Care allowance: Aged 16 or older with an assessed disability or long-term illness.

Disability allowance (younger than aged 16): Children younger than age 16 with an assessed disability or long-term illness.

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

Guaranteed pension (income-tested): Paid to a pensioner or immigrant with a disability 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 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 (300 days excluding Sundays). 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: Employees or persons with a disability who experience a short-term loss of working capacity due to illness or injury. The benefit is granted for a specific period of time.

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.

Survivor pension

Universal survivor pension (income-tested): The insured must have lived in Finland at least three years after age 16. The initial pension is paid for a six-month period; thereafter, the pension amount depends on the beneficiary's other income.

A widow(er) must be younger than age 65, have been married to the deceased before age 65, be caring for a child younger than age 18, or, if childless, be at least age 50 at the time of the spouse's death; in addition, the widow(er) must have been married to the deceased for at least five years and must have lived in Finland at the date of death or have

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: 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 survivor pension: The deceased was insured or a pensioner at the time of death. The widow(er) is eligible if he or she had a child with the deceased and the couple were married (or in a registered partnership) before the deceased spouse's 65th birthday. If childless, the couple must have been married for at least five years (or in a registered partnership) and the survivor must have been younger than age 50 at the date of marriage and have been aged 50 or older or a disability pensioner for at least three years when widowed. The pension is paid to a former spouse if he or she received alimony from the deceased.

Earnings-related orphan's pension: A child younger than age 18.

Old-Age Benefits

Universal old-age pension (income-tested): €6.47 to €608.63 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 €1,120.45 or €1,257.95 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: €21.23 a month is paid.

Housing allowance for pensioners: €3.24 to €665.81 a month is paid, according to income, housing expenses, municipality, marital status, and the number of family members.

Unemployment pension (income-tested): €6.47 to €608.63 a month is paid, according to marital status and the value of other pension income received.

Care allowance: €59.73, €148.69, or €314.41 a month is paid, according to the extent of care needed.

Guarantee pension (income-tested): €6.47 to €713.73 a month is paid, according to the value of other pension income received.

Benefit adjustment: The universal pension and allowance supplements are adjusted automatically each year for changes in the cost-of-living index.

Earnings-related old-age pension: From age 18 to 52, the accrual rate on annual earnings is 1.5%; from age 53 to 62, 1.9%; from age 63, 4.5%. Earnings used to calculate contributions are based on average lifetime earnings.

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

There is no maximum earnings-related pension.

Early pension: The pension is reduced by 0.6% for each month the pension is taken before age 63, up to 7.2%.

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.

For persons born in 1946 or earlier, the part-time pension is calculated based on current accrual conditions.

Benefit adjustment: Earnings-related benefits are adjusted according to a weighted index for changes in the consumer price index (80%) and wages (20%).

Permanent Disability Benefits

Universal disability pension (income-tested): €6.47 to €608.63 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 €1,120.45 or €1,257.95 a month, according to marital status).

Disability allowance (aged 16 or older): €89.18, €208.09, or €403.50 a month is paid, depending on the insured's circumstances.

Child's supplement: €21.23 a month is paid.

Housing allowance for pensioners: €3.24 to €665.81 a month is paid, according to income, housing expenses, municipality, marital status, and the number of family members.

Care allowance: €59.73, €148.69, or €403.50 a month is paid, according to the extent of care needed.

Disability allowance (younger than aged 16): €85.59, €199.71, or €387.26 a month is paid, depending on the insured's circumstances.

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

Guarantee pension (income-tested): From €6.47 to €713.73 a month is paid, according to the value of other pension income received.

Benefit adjustment: The universal disability pension and allowances are adjusted automatically each year for changes in the cost-of-living index.

Earnings-related disability pension: From age 18 to 52, the accrual rate on annual earnings is 1.5%; from age 53 to 62, 1.9%; from age 63, 4.5%. The accrual rate for projected service is 1.5% of salary.

There is no maximum earnings-related disability pension.

The pension is reduced if the insured's earnings from employment are greater than €713.73 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.

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

Benefit adjustment: Earnings-related benefits are adjusted according to a weighted index for changes in the consumer price index (80%) and wages (20%).

Survivor Benefits

Universal survivor pension (income-tested): Paid to a widow(er) for the first six months following the spouse's death. The maximum basic pension is €313.90 a month plus a possible housing allowance. From the seventh month, at least €98.32 is paid if the surviving spouse is caring for a dependent child, otherwise the pension is income-tested.

Income test: Pension reduced to 50% of the difference between other pension income and €53.67 a month. (The pension is not paid if other pension income exceeds €923.75 or €1,074.25, according to marital status and the age of children. The value of the pension also varies according to the deceased's length of residence in Finland).

Universal orphan's pension: A child younger than age 18 (age 20 if a full-time student) receives €57.76 a month; up to €115.52 a month for a full orphan.

Orphan's pension supplement (income-tested): The orphan's pension may be increased up to €87.36 (half orphan) or €174.72 (full orphan) a month.

Income test: The orphan's pension is reduced to 50% of the difference between other pension income and €53.67 a month. (The orphan's pension supplement is not paid if other pension income exceeds €228.33 a month).

Benefit adjustment: The universal pension and allowances are adjusted automatically each year for changes in the cost-of-living index.

Earnings-related survivor pension: The widow(er) receives up to 50% of the deceased's pension or up to 50% of the disability pension that the deceased would have been entitled to receive.

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

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.

Income test: The old-age pension or disability pension accrued by the surviving spouse (even if not in payment)

reduces the amount of the earnings-related survivor pension for 50% of the part that exceeds €645.50 monthly amount.

Earnings-related orphan's pension: One orphan receives 33.3% of the deceased's pension; up to 83.3% of the deceased's pension is paid for four orphans or more.

The maximum combined orphan's and widow(er)'s earnings-related survivor pension is 100% of the deceased's pension.

Benefit adjustment: Earnings-related benefits are adjusted according to a weighted index for changes in the consumer price index (80%) and wages (20%).

Administrative Organization

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

Universal pensions: Social Insurance Institution (<http://www.kela.fi>) administers universal pensions through district offices.

A governing body appointed by parliament manages the Social Insurance Institution.

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.

Carriers for earnings-related pension plans are licensed non-profit insurance companies, pension funds, and foundations.

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 persons residing in Finland.

Medical benefits: All persons residing in Finland.

Source of Funds

Insured person

Cash sickness and maternity benefits: 0.82% of gross monthly earnings.

Medical benefits: 1.22% of gross monthly earnings; 1.39% of gross monthly earnings for pensioners and other social insurance beneficiaries.

Contributions are calculated on all earnings.

Self-employed person

Cash sickness and maternity benefits: 0.82% of gross monthly earnings.

Medical benefits: 1.22% of net monthly earnings.

Contributions are calculated on all earnings.

Employer

Cash sickness and maternity benefits: 2.12% of monthly payroll (private employers and local and central government).

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: The insured 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. The benefit can also be paid as a partial sickness benefit.

Cash sickness allowances (means-tested): The insured is not eligible for cash sickness benefits. The allowance is paid after 55 days of incapacity for annual earnings less than €1,324.

Rehabilitation benefits: The insured must be receiving medical treatment and/or vocational training under a social security rehabilitation program.

Special sickness benefits: The allowance is paid to parents helping to care for a sick child younger than age 16 in a hospital or at home.

Cash maternity benefits: The insured must reside in Finland; new residents must complete a 180-day waiting period.

Medical benefits: The insured must reside in Finland.

Sickness and Maternity Benefits

Sickness benefit: 70% of daily earnings for annual earnings up to €34,495, 40% for €34,496 to €53,072, and 25% for €53,073 or more.

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

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 sickness benefit.

The minimum daily benefit is €22.96.

Partial sickness benefit: 50% of the sickness benefit is paid after a 10-day waiting period for up to 72 days (excluding Sundays) to an employed or self-employed person, who temporarily reduces full-time work 40% to 60%.

Sickness allowance (means-tested): The allowance is paid after 55 days of incapacity for annual earnings less than €1,324. The daily benefit is €22.96.

Rehabilitation benefit: 70% of daily earnings is paid for annual earnings up to €34,495, 40% of daily earnings for annual earnings of €34,496 to €53,072, and 25% of daily earnings for annual earnings of €53,073 or more. 75% of daily earnings is paid during vocational rehabilitation.

The minimum daily benefit is €22.96.

Special sickness benefit: 70% of daily earnings is paid for annual earnings up to €34,495, 40% of daily earnings for annual earnings of €34,496 to €53,072, and 25% of daily earnings for annual earnings of €53,073 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 €22.96.

Maternity benefit: 70% of daily earnings is paid for annual earnings up to €34,495, 40% of daily earnings for annual earnings of €34,496 to €53,072, and 25% of daily earnings for annual earnings of €53,072 or more.

The minimum daily benefit is €22.96.

The benefit is paid to an expectant mother from 50 days to 30 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 cease, the parent's allowance is paid to either parent for 158 days (excluding Sundays). The allowance is paid

for 60 extra days for multiple births and from 100 days to 234 days for the adoption of 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 treatment greater than €13.46; 42% to 100% of the cost of medicine greater than €1.50, according to a schedule; and 100% of transportation costs greater than €9.25.

If total annual copayments exceed €700.92 for medicine, 100% of the cost above €700.92 is reimbursed (the insured's copayment is €1.50 for each prescription); €157.25 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 €13.80 for each of the first three visits or an annual fee of €27.50. All other services are free.

For hospital care, the fees are €27.50 a day for outpatient treatment, €32.60 a day for inpatient treatment, and €90.30 a day for day 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.

Voluntary coverage for self-employed persons.

Special systems for farmers and public-sector employees.

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.

Employer: 0.3% to 8% of annual payroll, according to the profession's assessed degree of risk.

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 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 onset of the occupational disease.

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 the benefit are €11,890.

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 annually according to the pension index prescribed by law.

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 €11,890.

There are no maximum annual earnings used to calculate benefits.

Partial disability: The pension is reduced proportionately 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: €27.78 a day is paid if the insured requires the constant attendance of others to perform daily functions.

Handicap benefit: Paid for a permanent general 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 (€11,890) is paid.

Benefit adjustment: Benefits are adjusted annually according to the pension index prescribed by law.

Workers' Medical Benefits

Free unlimited medical care and the cost of rehabilitation.

Survivor Benefits

Survivor pension: A widow(er) without dependents receives 40% of the deceased's annual earnings.

Orphan's pension: One child younger than age 18 (age 25 if a student or disabled) receives 25% of the deceased's annual earnings; two children share 40%; three children share 50%; and four children or more share 55%.

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

Funeral grant: A lump sum of €4,570 is normally paid to the deceased's estate.

Benefit adjustment: Benefits are adjusted annually according to the pension index prescribed by law.

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.

Insurance is administered by licensed private companies.

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 gainfully employed workers, self-employed persons and entrepreneurs.

Earnings-related unemployment benefits: All gainfully 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 benefit: An average contribution of 0.2% to 0.4% of earnings to a single unemployment insurance fund. 0.6% of earnings to the Unemployment Insurance Fund (TVR).

Unemployment assistance: None.

Self-employed person

Basic unemployment benefit: None.

Earnings-related unemployment benefit: 2.70% to 2.75% of income to a single unemployment insurance fund.

Unemployment assistance: None.

Employer

Basic unemployment benefit: None.

Earnings-related unemployment benefit: An average of 2.32% of total payroll (0.80% when the sum of all salaries is €1,936,500 or less; 3.20% for a sum greater than €1,936,500) to the Unemployment Insurance Fund (TVR).

Unemployment assistance: None.

Government

Basic unemployment benefit: A state subsidy corresponds to the basic daily allowance, €31.36 a day.

Earnings-related unemployment benefit: A state subsidy corresponds to the basic daily allowance, €31.36 a day.

Unemployment assistance: A state subsidy corresponds to the basic daily allowance, €31.36 a day.

Qualifying Conditions

Basic benefit: A resident of Finland with at least 34 weeks of work in the 28 months before unemployment began;

entrepreneurs, membership in a single unemployment insurance fund for at least 18 of the last 48 months.

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

Earnings-related benefit: A resident of Finland with at least 34 weeks of work in the 28 months before unemployment began; entrepreneurs, at least 18 months of the last 48 months. The insured was a member of an unemployment fund for at least 34 weeks.

Increased earnings-related benefit: At least 20 years of work and a member of an unemployment fund for at least five years.

Reemployment program supplement: Must qualify for the reemployment program and participate in a program promoting employment.

Unemployment assistance (means-tested): The insured must reside in 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): €31.36 a day is paid.

If monthly earnings are less than €3,292.80, the basic daily benefit is €31.36 plus 45% of the insured's daily wage; if monthly earnings are €3,292.80 or more, the daily benefit is 20% of the difference between daily earnings and the basic benefit (€31.36).

When a monthly wage is converted to daily wage or vice versa, one month is calculated to have 21.5 days.

Supplementary allowance: €4.59 a day is paid.

Child's supplement: A daily supplement of €5.06 is paid for one dependent child; €7.43 for two; €9.58 for three or more dependent children.

Earnings-related benefit (unemployment fund): If monthly earnings are less than €3,292.80, the basic daily benefit is €31.36 plus 45% of the daily wage; if monthly earnings are €3,292.80 or more, the daily benefit is €86.17 plus 20% of daily earnings in excess of €165.31.

Increased earnings-related benefit: 57.5% of the difference between the insured's daily wage and the basic daily benefit is paid. If the monthly wage exceeds €3,292.80, the benefit declines to 35% of the difference between the daily wage and the basic daily benefit.

Reemployment program supplement (unemployment fund): The combined earnings-related benefit with the reemployment program supplement is 65% of the difference between the insured's daily wage and the basic daily benefit. If the monthly salary exceeds €3,292.80, the earnings-related benefit declines to 37.5% of the difference between the insured's daily wage and the basic daily benefit.

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Child's supplement: A daily supplement of €5.06 is paid for one dependent child; €7.43 for two; €9.58 for three or more dependent children.

The maximum benefit, including the dependent child's supplement, is 90% of the insured's daily wage. If a person receives either the increased earnings-related benefit or the reemployment program supplement, the maximum benefit is 100% of the insured's daily wage.

All unemployment benefits are paid after a seven-day waiting period. The benefit is paid five days a week for up to 500 days.

Unemployment assistance (means-tested): The flat-rate benefit varies according to family size and circumstances. Up to €31.36 a day is paid if monthly earnings are less than €311 for an unmarried person; €1,834 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 €5.06 is paid for one dependent child; €7.43 for two; €9.58 for three or more dependent children.

Supplementary allowance: €4.59.

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 persons residing in Finland (parents or guardians) with one or more children.

Source of Funds

Insured person: None.

Self-employed person: None.

Employer: None.

Government: The total cost. 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 the adoption of 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.

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 of between €1,900 and €4,500 is paid.

Child home care allowance: A basic amount of €3,929.52 a year is paid for one child younger than age 3; a supplement of €1,176.48 a year is paid for each additional child younger than age 3, and €756 a year is paid for each additional child aged 3 to 7.

Means-tested supplement: Up to €175.24 a month is paid.

Partial home care allowance: €93.77 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.