

Finland

Exchange rate: US\$1.00 equals 0.70 euros (€).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1937.

Current laws: 1961 (earnings-related pensions); 1969 (survivor pensions); 1986 (partial pension and early pension); 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): All persons residing in Finland for at least 3 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: All employees aged 18 to 68, persons caring for a child younger than age 3, and students who received a degree for study periods up to 5 years.

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

Source of Funds

Insured person

Universal pension: None.

Earnings-related pension: 4.5% of gross monthly earnings for employees younger than age 53; 5.7% of gross monthly earnings for employees aged 53 or older.

The minimum monthly earnings used to calculate contributions are €51.57.

There is no maximum limit on the earnings used to calculate contributions.

Self-employed person

Universal pension: None.

Earnings-related pension: 21.2% of declared covered monthly earnings if younger than age 53; 22.4% of declared covered monthly earnings if aged 53 or older.

Self-employed persons setting up a business for the first time pay 25% less for the first 48 months of contributions. If the business closes down before the end of the 48th month, the remaining months can be applied toward a second period of self-employment. There is no limit on the interval between these periods.

The minimum annual earnings used to calculate contributions for self-employed persons are €6,775.60.

The maximum annual earnings used to calculate contributions are €153,875.

Employer

Universal pension: None.

Earnings-related pension: The average monthly contribution is 17.1%.

The minimum monthly earnings used to calculate contributions are €51.57.

There is no maximum limit on the earnings used to calculate contributions.

Government

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

Earnings-related pension: The total cost of the earnings-related pension for self-employed persons whose earnings are less than the minimum annual earnings used to calculate contributions. 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.

The minimum annual earnings used to calculate contributions for self-employed persons are €6,775.60.

Qualifying Conditions

Old-age pension

Universal old-age pension (income-tested): Age 65. An old-age pensioner may continue working.

The pension is payable abroad for a year if the person was a resident of Finland for at least 1 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: Paid to pensioners according to income, housing expenses, municipality, marital status, and the number of family members.

Unemployment pension: Paid to 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 5 of the last 15 years.

Care allowance for pensioners: Paid to a pensioner aged 16 or older with an assessed disability or long-term illness.

Special assistance for immigrants (income-tested): Paid to immigrants aged 65 or older who do not meet the residence requirement for a universal pension, but reside permanently

in Finland and have been living in the country for at least the last 5 years.

Earnings-related old-age pension: The benefit is paid between ages 63 and 68. The insured must retire from covered employment.

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

Part-time old-age pension: Paid at 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 5 of the last 15 years.

Deferred pension: The pension may be deferred after age 68.

Unemployment pension: Paid to unemployed persons born before 1950, at age 60 if no longer entitled to unemployment benefits (after a maximum duration of 500 days) and covered by the scheme for at least 5 of the last 15 years.

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 request a review of the insured's assessed degree of incapacity at any time. Persons receiving the disability pension must inform the SII of any changes in circumstances that may affect entitlement. SII doctors perform the review based on medical reports from the insured's doctor.

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

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

Care allowance for pensioners: Paid to a pensioner aged 16 or older with an assessed disability or long-term illness.

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

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

Special assistance for immigrants (income-tested): Paid to immigrants aged 16 to 64 with disabilities who do not meet the residence requirement for a universal pension, but reside permanently in Finland and have been living in the country for at least 5 years.

Earnings-related disability pension: The full earnings-related disability pension is paid to persons aged 18 to 62 with an assessed loss of working capacity of at least 60% who are no longer entitled to the cash sickness allowance (300 days excluding Sundays). The old-age pension replaces the disability pension when the insured reaches age 63.

Partial disability: Paid with an assessed loss of working capacity of 40% to 59%.

Rehabilitation benefit: Paid to an employee or a person with a disability who may experience a 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 after age 16 for at least 3 years. The initial pension is paid for a 6-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 5 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 3 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 (students aged 18 to 20 do not qualify).

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 5 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 3 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: Paid to a child younger than age 18.

Old-Age Benefits

Universal old-age pension (income-tested): The pension is €6.21 to €584.13 a month, according to marital status and the value of other pension income received.

Income test: The benefit is reduced to 50% of the difference between other pension income and €51.50 a month; the pension is not paid if other pension income exceeds €1,075.25 or €1,207.33 a month, according to marital status. The amount is also adjusted to the length of the period of residence in Finland, with the full amount paid if the insured resided in Finland 80% of the time from age 16 to the date the pension was first paid or age 65.

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: €20.37 a month.

Housing allowance: The allowance is €3.11 to €618.02 a month, according to income, housing expenses, municipality, marital status, and the number of family members.

Unemployment pension: The pension is income tested and varies from €6.21 to €584.13 a month, according to marital status and the value of other pension income received.

Care allowance for pensioners: The allowance is €57.32, €142.70, or €301.75 a month, according to the extent of care needed.

Special assistance for immigrants (income-tested): The benefit varies from €6.21 to €584.13 a month, according to marital status, the value of other pension income received, and the disposable income of the applicant and his or her spouse.

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

Earnings-related old-age pension: Pension rights accrue from age 18 up to age 68. From age 18 to 52, the pension accrues at the rate of 1.5% of annual earnings; from age 53 to 62, by 1.9%; from age 63, by 4.5%. Earnings used to calculate contributions are based on average lifetime earnings.

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%.

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: the accrual rate on earnings from part-time work is 1.5% a year up to age 60; thereafter, the accrual rate is 2.5%. For persons born in 1947 or later, pension rights accrue from part-time work at a rate of 1.9% a year between ages 58 and 62 and 4.5% a year from age 63.

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

Unemployment pension: Pension rights are accrued during years of employment. Rights to a projected service component (time between the date unemployment began and the retirement age) are added to the old-age or survivor pension.

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

Permanent Disability Benefits

Universal disability pension (income-tested): The pension varies from €6.21 to €584.13 a month, according to marital status and the value of other pension income received.

Income test: The benefit is reduced to 50% of the difference between other pension income and €51.50 a month; the pension is not paid if other pension income exceeds €1,075.25 or €1,204.33 a month, according to marital status. The amount is also adjusted for the length of the residence period in Finland, with the full amount paid if residing in Finland for at least 80% of the time from age 16 to the date the pension was first paid.

The pension ceases if the insured begins new employment.

Disability allowance (aged 16 or older): €199.71 a month, €387.26 a month, or €370.24 a month is paid, depending on the insured's circumstances.

Child's supplement: A flat rate of €20.37 a month is paid for a child younger than age 16.

Housing allowance: The allowance varies from €3.11 to €618.02 a month, according to income, housing expenses, municipality, marital status, and the number of family members.

Care allowance for pensioners: The allowance is €57.32, €142.70, or €301.75 a month, according to the extent of care needed.

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

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

Special assistance for immigrants (income-tested): The benefit varies from €6.21 to €584.13 a month, according to marital status, the value of other pension income received, and the disposable income of the applicant and his or her spouse.

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

Earnings-related disability pension: Pension rights accrue at the rate of 1.5% a year from age 18 to 52, 1.9% from age 53 to 62, and 4.5% from age 63 to 68. All

disability pensioners have the right to projected service from the date the disability began until age 63. The accrual rate for projected service is 1.5% of salary a year.

There is no maximum earnings-related disability pension. The insured can receive earnings from employment of up to 40% of the pension (up to €600 a month).

Partial disability pension: 50% of the full pension is paid if the assessed loss of working capacity is between 40% and 59%. The insured can receive earnings from employment that equal up to 60% of the pension (up to €600 a month).

Rehabilitation benefit: The benefit amount for a full and partial disability is based on the assessed degree of disability plus a 33% increment for periods of active vocational rehabilitation.

Benefit adjustment: Earnings-related benefits are adjusted according to a weighted index of 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 6 months following the spouse's death. The maximum basic pension is €301.27 a month plus a possible housing allowance. From the 7th month, at least €94.37 is paid if the surviving spouse is caring for a dependent child, otherwise the pension is income-tested. The value of the pension 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 €55.43 a month; up to €110.86 a month for a full orphan.

Orphan's pension supplement (income-tested): The orphan's pension may be increased up to €83.84 (half orphan) or €167.68 (full orphan) a month.

Income test: Pensions for a widow(er) and orphans are reduced to 50% of the difference between other pension income and €51.50 a month; the income-tested widow(er)'s pension is not paid if other monthly pension or other income exceeds €886.58 or €1,031 a month, according to marital status and the age of children. The orphan's pension supplement is not paid if other pension income exceeds €219.16 a month. The value of the widow(er)'s pension varies according to the deceased's length of residence in Finland, with the full amount paid if the deceased lived in Finland at least 80% of the time after attaining age 16 up to the date the pension was first paid or age 65.

Benefit adjustment: The universal pension and allowances are adjusted automatically each year according to 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 is split if there is a divorced spouse receiving alimony, depending on the amount of the alimony.

There is no means test for the first 6 months if the surviving spouse is younger than age 65 and is not receiving a pension in his or her 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.

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 earnings-related survivor pension is 100% of the deceased's pension.

Benefit adjustment: Earnings-related benefits are adjusted according to a weighted index of 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 and disability 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. Disability pension claims are determined by the central administration.

Municipalities collect the universal pension contributions with municipal taxes.

Earnings-related pensions

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

Carriers for earnings-related pension plans are licensed nonprofit 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: 0.93% of gross monthly earnings.

Medical benefits: 1.47% of gross monthly earnings; 1.64% of gross monthly earnings for pensioners and other beneficiaries.

Contributions are calculated on all earnings.

Self-employed person

Cash sickness and maternity benefits: 0.93% or 1.05% of gross monthly earnings.

Medical benefits: 1.47% of net monthly earnings.

Contributions are calculated on all earnings.

Employer

Cash sickness and maternity benefits: 2.23% of monthly payroll (private employers and local and central government).

Medical benefits: 2.23% of monthly payroll.

Government

Cash sickness and maternity benefits: Subsidies as required; 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 3 months, unless involuntarily unemployed. The incapacity for work must be certified by a doctor from the 9th day.

Cash sickness allowances (means-tested): The insured is not eligible for cash sickness benefits. The allowance is paid after 55 days of incapacity provided that annual earnings are less than €1,264.

Rehabilitation benefits: The insured must be receiving medical treatment, vocational training, or both 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: The benefit is 70% of daily earnings for annual earnings up to €32,892, 40% of daily earnings for annual earnings of €32,893 to €50,606, and 25% of daily earnings for annual earnings of €50,607 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 9 days for employees who have worked for at least a month; otherwise, 50%.) Insured persons who have been unemployed during the last 4 months receive at least 86% of the unemployment benefit.

The minimum daily benefit is €22.04.

Sickness allowance (means-tested): The allowance is paid after 55 days of incapacity provided that annual earnings are less than €1,264. The daily benefit is €22.04.

Rehabilitation benefit: The benefit is 70% of daily earnings for annual earnings up to €32,832, 40% of daily earnings for annual earnings of €32,893 to €50,606, and 25% of daily earnings for annual earnings of €50,607 or more.

Special sickness benefit: The allowance is paid for up to 60 days in hospital and 60 days at home (90 days if the treatment is ongoing). The benefit is 70% of daily earnings for annual earnings up to €32,892, 40% of daily earnings for annual earnings of €32,893 to €50,606, and 25% of daily earnings for annual earnings of €50,607 or more.

The minimum daily benefit is €22.04.

Maternity benefit: The benefit is 70% of daily earnings for annual earnings up to €32,892, 40% of daily earnings for annual earnings of €32,893 to €50,606, and 25% of daily earnings for annual earnings of €50,606 or more.

The minimum daily benefit is €22.04.

The benefit is paid to an expectant mother from 50 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 1 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 refunds are provided for certain medical expenses according to a schedule in law. The cash refunds include 60% of private doctors' fees and 60% of private dental fees; 75% of the cost of prescribed examinations and prescribed treatment greater than €13.46; 42% to 100% of the cost of medicines greater than €1.50 to €3, according to a schedule; and 100% of transportation costs greater than €9.25.

If total annual copayments exceed €672.70 for medicines, 100% of the cost above €672.70 is reimbursed (the insured's copayment is 1.50 per 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 €13.70 per visit for the first three visits or an annual fee of €27.40. All other services are free.

For hospital care, the fees are €27.40 a day for outpatient treatment, €32.50 a day for inpatient treatment, and €89.90 a day for day surgery.

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

Dependents' Medical Benefits

Cash refunds are provided for certain medical expenses according to a schedule in law. The cash refunds include 60% of private doctors' fees and 60% of private dental fees; 75% of the cost of prescribed examinations and prescribed treatment greater than €13.46; 42% to 100% of the cost of medicines greater than €1.50 to €3, according to a schedule; and 100% of transportation costs greater than €9.25.

If total annual copayments exceed €672.70 for medicines, 100% of the cost above €672.70 is reimbursed (the insured's copayment is 1.50 per 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 €13.70 per visit for the first three visits or an annual fee of €27.40. All other services are free.

For hospital care, the fees are €27.40 a day for outpatient treatment, €32.50 a day for inpatient treatment, and €89.90 a day for day surgery.

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

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, public-sector employees, 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 assessed degree of risk for the profession.

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

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 3 days.

For the first 4 weeks, the benefit is 70% of the insured's daily earnings for annual earnings up to €32,892, 40% of daily earnings for annual earnings of €32,893 to €50,606, and 25% of daily earnings for annual earnings of €50,607 or more; thereafter, the daily benefit is 1/360 of the insured's annual earnings.

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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 the disability had not begun. The minimum annual earnings used to calculate the pension are €11,340.

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 or Social Insurance Institution based on a statement issued by the insured's doctor.

Constant-attendance supplement: €26.46 a day is paid if the insured requires the constant attendance of others to perform daily functions.

Inconvenience allowance: The allowance is paid for a permanent general disability, according to 20 categories of disability. The value of the allowance varies according to age. Up to 60% of the minimum annual earnings used to calculate the permanent disability pension (€11,340) is paid.

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

Workers' Medical Benefits

Free medical care without limit 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 24 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 €4,350 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 and earnings-related unemployment benefits: All gainfully employed workers aged 17 to 68; and self-employed persons and entrepreneurs aged 17 to 64.

Membership in an earnings-related unemployment fund 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.

Unemployment assistance: None.

Self-employed person

Basic unemployment benefit: None.

Earnings-related unemployment benefit: 2.70% to 2.75% of income.

Unemployment assistance: None.

Employer

Basic unemployment benefit: None.

Earnings-related unemployment benefit: Mandatory contributions of 0.75% of payroll when the total amount of all salaries is €1,846,500 or less; or 2.95% of payroll when the total amount of all salaries is greater than €1,846,500.

Unemployment assistance: None.

Government

Basic unemployment benefit: The total cost.

Earnings-related unemployment benefit: The remainder of the total cost. Municipalities finance half of the cost of

basic unemployment benefits paid for unemployment of over 500 days.

Unemployment assistance: The total cost.

Qualifying Conditions

Basic and earnings-related unemployment benefits:

The insured must reside in Finland and have worked at least 43 weeks of the 28 months before unemployment began. Entrepreneurs must have worked as an entrepreneur for at least 24 of the last 48 months.

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

For the earnings-related benefit, the insured must have been a member of an unemployment fund for at least 10 months.

For the increased earnings-related benefit, the insured must have worked for at least 20 years and have been a member of an unemployment fund for at least 5 years.

Reemployment program supplement: The benefit is paid to those who have worked for at least 3 years before the employment contract was terminated for production-related or economic reasons, have been a member of an unemployment fund for at least 10 months, and are registered in the Employment Office reemployment program.

Unemployment assistance (means-tested): The insured must reside in Finland. Job seekers younger than age 24 must have completed vocational training and must not have refused a suitable job offer.

Unemployment Benefits

Unemployment benefit (basic benefit): €25.63 a day is paid.

Child's supplement: A daily supplement of €4.86 is paid for one dependent child; €7.13 for two; €9.19 for three or more dependent children.

Earnings-related benefit (unemployment fund): If monthly earnings are less than €2,205.90, the basic daily benefit is €24.51 plus 45% of the daily wage; if monthly earnings are €2,205.90 or more, the daily benefit is €59.65 plus 20% of daily earnings in excess of €102.60.

Increased earnings-related benefit (unemployment fund): The increased benefit is 55% of the difference between daily wages and the basic daily benefit. If the monthly wage exceeds €2,205.90, the earnings-related benefit declines to 32.5% of the difference between daily wages and the basic daily benefit for the part in excess.

Reemployment program supplement (unemployment fund): The earnings-related benefit with the reemployment program supplement is 65% of the difference between daily wages and the basic daily benefit. If the monthly salary exceeds €2,205.90, the earnings-related benefit declines to 37.5% of the difference between daily wages and the basic daily benefit for the part in excess.

Child's supplement: A daily supplement of €4.64 is paid for one dependent child; €6.82 for two; €8.79 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 7-day waiting period. The benefit is paid 5 days a week for up to 500 days (if the recipient was born before 1950 and reaches age 57 before the benefit has been paid for 500 days, the benefit is paid until the end of the calendar month in which the recipient reaches age 60).

Unemployment assistance (means-tested): The flat-rate benefit varies according to family size and circumstances. Up to €25.63 a day is paid if monthly earnings are less than €253 for an unmarried person; €1,490 a day for a family with one child. There is no limit to duration.

Child's supplement: A daily supplement of €4.86 is paid for one dependent child; €7.13 for two; €9.19 for three or more dependent children.

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 program.

Approved unemployment funds 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 who has undergone necessary medical examinations and whose pregnancy lasts for at least 154 days. The grant is also paid 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: The child must be younger than age 3. One of the parents must care for the child at home.

Family Allowance Benefits

Family allowances: €1,200 a year is paid for one child, €2,526 for two, €4,218 for three, €6,156 for four, and €2,184 a year for each additional child.

Single-parent supplement (or legally separated or unmarried parent): €559.20 a year is paid for each qualifying child.

Birth grant: The mother can choose to receive clothing and other necessities (layette) for the newborn or 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 €3,771 a year is paid for one child younger than age 3 who is cared for at home; a supplement of €725.52 a year is paid for each additional child younger than age 7.

Means-tested supplement: Up to €168.19 a month is paid.

Partial home care allowance: €90 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.