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Finland: Redundant employees entitlement to public support

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Finland

Phase:

Management

Type:

Redundant employees entitlement to public support

Last modified: 10 December, 2021

Native name:

Työttömyysturvalaki (1290/2002), Laki julkisesta työvoima- ja yrityspalvelusta (916/2012)

English name:

Unemployment security act (1290/2002), Act on public employment and business service (916/2012)

Article

whole regulations of Unemployment security act (1290/2002) and Act on public employment and business service (916/2012)

Description

The **Unemployment security act** outlines the conditions under which the unemployed person will receive unemployment benefit.

Unemployment benefit, provided by the national Social Insurance Institution (Kela), is normally available for unemployed people aged 17-64 years old. The local government of the place of residence of the unemployed is liable to pay part of the costs. The type and amount of the benefit depends on the duration of unemployment and whether the person has been employed before. Other income, such as other benefits, temporary wages, or entrepreneurial revenues, may also affect the amount of unemployment benefit to be paid.

The **Act on public employment and business service** defines the responsibilities and scope of public employment services (PES, TE Offices). PES must inform the unemployed of the available services and terms and conditions of job seeking, and keep regular contact with the unemployed. A first interview is normally arranged within two weeks after the unemployed registers as a job seeker. In cooperation with the PES, the unemployed will draw up a personalised employment plan based on his or her objectives and estimated needs. The unemployed is obliged to follow the employment plan, to actively look for work opportunities and training, and to take up employment measures. If the unemployed fails to draft an employment plan, or to follow the plan, he or she may be denied the right to unemployment benefit for a predefined period of time. The employment plan must be updated jointly by the unemployed and PES at least every three months.

An unemployed who without an acceptable reason has resigned, caused her/his own dismissal, or refused a job offer may be denied the right to unemployment benefit for a predefined period.

PES and/or the regional Centres for Economic Development, Transport and the Environment (ELY centres) advice and distribute information on:

- vacant positions and job seeking;
- labour force availability and acquisition;
- training and skills development opportunities;
- the labour market, occupational sectors and occupations;
- business start-up and development activities;
- services, subsidies and compensations.

PES, ELY centres and Kela together offer financial and non-financial support for different employment measures. These include (but may not be limited to):

- long-distance commuting;
- counselling and financial support for starting a business;
- job trials;
- education and training;
- subsidised employment.

Comments

Unemployment funds, often tied to trade unions, provide additional financial support for their members.

An unemployment benefit reform was introduced in 2018. It means that if the unemployed job-seeker has not fulfilled any of the activation criteria within three months, for the next review period, he/she will get a lower amount of unemployment benefit. The reform received a lot of critique, and it was removed during the Sanna Maring Government period.

In 2021, the local government pilots on employment started. In this pilot, certain groups of job-seekers will be transferred to the municipalities that participate in this pilot. The aim of the pilot is to develop supporting services for jobseekers that better match their needs. The pilot will run between 2021 and 2023. In addition, the government has plans to introduce a new model for employment services (known as Nordic employment model), which increases the support provided during the first months of unemployment. Certain activation criteria would also be re-introduced and failure to fulfil these criteria would lead to reduced unemployment benefit. The new model is planned to enter in force in May 2022.

Cost covered by

National government

Involved actors other than national government

Public employment service

Regional/local government

Other

Involvement others

The Social Insurance Institution (Kela)

Thresholds

No, applicable in all circumstances

Sources

- [Act on Public Employment and Business Service \(916/2012\)](#)
- [Laki julkisesta työvoima- ja yrityspalvelusta \(916/2012\)](#)
- [Työttömyysturvalaki \(1290/2002\)](#)
- [Laki työllisyyden edistämisen kuntakokeilusta \(1269/2020\)](#)
- [Local government pilots on employment](#)
- [Hallituksen esitys eduskunnalle aktiivimallin leikkureiden ja velvoitteiden kumoamista koskevaksi lainsäädännöksi \[Government Proposal relating to removal of the cuts and responsibilities introduced in the active model\]](#)
- [Hallituksen esitys eduskunnalle työnhakijan palveluprosessin ja eräiden työttömyysetuuden saamisen edellytysten uudistamista koskevaksi lainsäädännöksi \[Government Proposal regarding reform of the service process available for unemployed job-seekers\]](#)

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