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Factsheet for case FI-2020-17/546

Cancellation of the unemployment allowance deductible period in the case of temporary lay-off

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Country	Finland, applies nationwide
Time period	Temporary, 20 April 2020 - 06 July 2020
Type	Legislation or other statutory regulation
Category	Income support to workers and those laid off – Income support for unemployed
Case created	13 April 2020 (updated 20 April 2020)

Background Information

In accordance with section 6 of Unemployment Security Act (Työttömyysturvalaki) (1290/2002), the basic or earnings-related unemployment allowance is limited to 300-500 days. After this period, job-seekers will receive labour market subsidy.

As a result of changes in the market situation caused by the outbreak of COVID-19, the Parliament has accepted a temporary amendment that cancels the unemployment allowance deductible period in the case of temporary lay-off. In the case of dismissal, the deductible period applies as for usual.

Content of measure

This measure applies to all job-seekers that have been temporarily laid off between 16 March 2020 and 6 June 2020 and meet the criteria for either basic unemployment allowance (earnings-related unemployment allowance).

For those job-seekers that have been temporarily laid-off and who qualify for earnings-related unemployment allowance, this measure has financial significance since it extends the period they can receive earnings-related unemployment allowance in case they are dismissed after the lay-off or in the following months. The average earnings-related unemployment allowance is €65 per workday whereas the basic unemployment allowance and the labour market subsidy are 34€ per workday.

Use of measure

No information to date.

Actors, target groups and funding

Actors	Target groups	Funding
National government Public employment service	unemployed	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Unknown

In March 2020, the social partners jointly proposed a set of actions for the Finnish Government. These proposed measures seek to amend labour law and facilitate adaptation of businesses to the new circumstances. Cancellation of the employment allowance deductible period was on the list of measures proposed to the Government.

Furthermore, peak-level social partners were consulted during the drafting period of these amendments.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 20 March 2020: Social partners' proposals to help businesses in the corona crisis (akava.fi)
- 02 April 2020: Hallituksen esitys eduskunnalle laeiksi työttömyysturvalain, työttömyysetuuksien rahoituksesta annetun lain ja työttömyyskassalain väliaikaisesta muuttamisesta (www.eduskunta.fi)