

The Employment Fund's Board of Directors proposes keeping unemployment insurance contributions at the current level

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At its meeting on 24 August 2022, the Employment Fund's Board of Directors decided to propose to the Supervisory Board to keep the unemployment insurance contributions at the current level in 2023.

The employer's average unemployment insurance contribution would be 1.54 percent, which takes into account the separate contribution increase of 0.03 percentage points made for the financing of the new restructuring protection scheme that comes into effect on January 1, 2023. The employee's contribution would be 1.50 percent of payroll in 2023.

According to the proposal, the employer's lower contribution would be 0.52 per cent of the wage sum (up to a maximum of appr. EUR 2.2 million per year) and the higher contribution would be 2.06 per cent (for the part that exceeds EUR 2.2 million).

The median salary of a Finnish wage earner for regular working hours in the private sector was 3,524 euros per month in 2021. According to the proposal, an employee earning the median salary would pay unemployment insurance contributions of 634.32 euros per year (52.86 euros per month), which is the same as in 2022.

The proposition on unemployment insurance contributions is based on forecasts used by the Employment Fund, which have also been used to draw up the Fund's budget for 2023. The forecast considers many factors, including the sum of benefits that must be financed and the Fund's other expenditure in the coming year.

*The current level of unemployment insurance contributions secures the Fund's solvency and the financing of benefits next year as well, and at the same time the Fund's business cycle buffer is accrued. Unemployment expenses financed by the Employment Fund have fallen to the same level as before the coronavirus pandemic. Recent changes in both the economic outlook and the development of employment have increased uncertainty, says **Janne Metsämäki**, Employment Fund's Managing Director.*

In 2020 and 2021, sharply increased unemployment expenses caused by the coronavirus pandemic were financed with the Employment Fund's business cycle buffer and moderate increases in the unemployment insurance contributions. In addition, the Employment Fund's solvency was secured by taking loan and issuing bonds.

The Employment Fund's business cycle buffer had net assets of 633 million euros on 31 December 2021, while before the coronavirus pandemic at the end of 2019, the buffer had 1,668 million euros. According to the latest estimate, there would be net assets of 1,067 million euros in the buffer at the end of 2022.

The Employment Fund's Supervisory Board will decide on the proposal at its meeting on Thursday 25 August. After this, the Employment Fund will make a proposal to the Ministry of Social Affairs and Health, and Parliament will confirm the contributions in the autumn. The unemployment insurance contributions are specified in law every year.

Helsinki, 24 August 2022
Employment Fund
Tapio Oksanen
Chief Financial Officer

Further information:

Janne Metsämäki, Managing Director, +358 40 522 3614

Saana Siekkinen, Chair of the Board of Directors, +358 40 834 5030

Distribution:

NASDAQ OMX Helsinki

Media

www.tyollisyysrahasto.fi

Contacts

- Janne Metsämäki, toimitusjohtaja, +358 40 522 3614, janne.metsamaki@tyollisyysrahasto.fi
- Tapio Oksanen, Johtaja, talous ja rahoitus, + 358 40 539 4651, tapio.oksanen@tyollisyysrahasto.fi

About Työllisyysrahasto

The Employment Fund brings comfort in the changes of the working life. We collect the unemployment insurance contributions that are among other things financing the earnings-related unemployment benefits and urging forward the innovation of learning with the adult education allowance.

Attachments

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