

Employment Fund has submitted the Ministry of Social Affairs and Health an estimate of the level of unemployment insurance contributions for 2024

28.4.2023 09:00:00 EEST | Työllisyysrahasto | Other information disclosed according to the rules of the Exchange

Employment Fund Stock Exchange Release April 28, 2023 at 9:00

The Employment Fund has presented the Ministry of Social Affairs and Health with an estimate that the total aggregate amount of employer's and employee's unemployment insurance contributions could be reduced by 0.00-0.50 percentage points for 2024.

Currently, the total amount of unemployment insurance contributions is approximately 3.04%.

When preparing the estimate of unemployment insurance contributions for 2024, the Employment Fund notes that the assessment of economic development in the following few years will be extremely challenging due to the COVID-19 crisis, high inflation and Russia's war against Ukraine. The scenarios prepared by the Employment Fund show that the Fund's result will be in surplus in 2023, and that this trend will continue in 2024 with equal contributions prevailing as in 2023. This development is applicable to both the basic forecast of the Fund and the Ministry of Finance's economic forecast.

According to the current estimate of the Employment Fund, it is necessary to consider the increase in net assets close to the statutory ceiling of the business cycle buffer in 2023, when determining the total amount of unemployment insurance contributions. In case the Fund's economy would develop as indicated in the basic forecast, the level of contributions could be reduced moderately for the following year.

At the end of 2022, the net assets (business cycle buffer) of the Employment Fund amounted to EUR 1,258 million. According to estimates, net assets will increase by approximately EUR 600 million in 2023, which would amount to approximately EUR 1,800 million in net assets at the end of 2023. At that time, the statutory ceiling of the business cycle buffer is estimated to be approximately EUR 2,000 million.

The Employment Fund is entitled to submit an estimate of the following year's earnings-related benefit expenses, the Government's contribution and percentages of unemployment insurance contributions to the Ministry of Social Affairs and Health at the latest by the 15th May each year.

The estimate of the contributions presented is preliminary at this stage. The final proposal will be confirmed at the meeting of the Employment Fund's Supervisory Board, on 31 August 2023, when more information on the development of the Fund's income and expenditure, as well as on the economic cycle in general, will be available for decision-making.

Helsinki, 28 April 2023

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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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