

Employment Fund has submitted the Ministry of Social Affairs and Health an estimate of the level of unemployment insurance contributions for 2026

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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 would need to be increased by 0.5-1.5 percentage points for 2026.

Currently, the total amount of unemployment insurance contributions is approximately 1.21%.

The estimate of the amount of unemployment insurance contributions for the year 2026 is based on forecasts and calculations used by Employment Fund, which take into account different alternatives for the development of the economy and employment, as well as the effects of the Government programme's entries and implemented legislative changes.

According to the forecasts used by the Employment Fund, the economic situation in Finland has weakened and will remain challenging in 2025, but the situation will improve in 2026. The forecast environment contains exceptionally high uncertainty. Employment Fund's basic forecast predicts that the unemployment rate will be approximately 8.9% in 2025 and will decrease to 8.4% in 2026.

The cost-reducing effect of the Government programme's entries and legislative changes implemented by the Government on the expenses under Employment Fund's financial responsibility is estimated to be around 500 million euros more in 2025 than in previous year and around 150 million euros more in 2026.

According to the Employment Fund's basic forecast, the change in the Fund's net assets will be negative in 2025, as in the previous year, and would remain clearly negative in 2026 at the current payment level.

Employment Fund has a EUR 600 million bond maturing in June 2027, which has been taken into account when preparing the estimate.

"The weak unemployment trend and the deteriorating economic outlook are negatively affecting the Employment Fund's finances, despite the expenditure-reducing effect of the legislative changes implemented by the Government. In addition, we take into account the upcoming bond maturity in 2027. As a result of these factors, we estimate that there is a need to increase unemployment insurance contributions", says **Karo Nukarinen**, Employment Fund's Chief Financial Officer.

At the end of 2024, Employment Fund's net assets (business cycle buffer) were EUR 1,272 million. In the 2024 financial statement release published in February 2025, we estimated that the change in Employment Fund's net assets would be approximately EUR 600 million negative in 2025 and that the net assets would be EUR 670 million positive on December 31, 2025. When preparing the payment estimate for 2026, we estimate that the change in the Employment Fund's net assets would be approximately EUR 840 million negative in 2025, which would mean positive net assets of approximately EUR 430 million at the end of 2025. The statutory maximum amount of the business cycle buffer is estimated to be approximately EUR 1,420 million at that time.

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 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 28 August 2025, 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.

Karo Nukarinen
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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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