

Employment Fund: Employment Fund's Half-Year Report 1 January 2025–30 June 2025

26.8.2025 12:15:00 EEST | Työllisyysrahasto | Half Year financial report

Employment Fund
Stock Exchange Release
August 26, 2025 at 12.15

This release is a summary of Employment Fund's Half-Year Report January–June 2025. The Half-Year Report in its entirety is attached to this release and available at the website <https://www.employmentfund.fi/investors/half-year-report-2025/>.

As expected, the half-year result (change in net position) remained in deficit, which was due to lower unemployment insurance contributions and high unemployment. However, the deficit was smaller than in the comparison period.

As expected, during the first half of the year, the amount of unemployment insurance contributions collected by Employment Fund remained well below the totals collected during the comparison period. This was because the unemployment insurance contributions for 2025 were lowered as proposed by Employment Fund.

The financing contributions paid by the Fund to benefit recipients were also substantially lower than in the previous year even though unemployment was higher than in the comparison period. The impacts of the measures set out in the Government Programme began to show in the first half of the year.

Key figures January–June 2025

| Key figures, EUR million | 1 Jan–30 Jun 2025 | 1 Jan–30 Jun 2024 | 1 Jan–31 Dec 2024 |
|---|-------------------|-------------------|-------------------|
| Unemployment insurance contributions and other income | 956 | 1,159 | 2,347 |
| Financing contributions paid and administrative expenses | -1,410 | -1,666 | -3,163 |
| Net financial income | 20 | 27 | 67 |
| Change in net position | -435 | -480 | -749 |
| Investment assets and cash and cash equivalents | 1,067 | 1,741 | 1,513 |
| Receivables, accruals and fixed assets | 462 | 526 | 447 |
| Short-term and long-term loans | 599 | 599 | 599 |
| Unemployment insurance contribution and other liabilities | 92 | 127 | 89 |
| Net position | 838 | 1,541 | 1,272 |
| Unemployment insurance contribution (average) | 1.20% | 1.61% | 1.61% |
| Change in total payroll* | 2.1% | 2.1% | 2.2% |
| Unemployment rate (average) | 9.9% | 8.8% | 8.4% |
| Return on investments | 1.6% | 1.6% | 4.2% |

*Change in cumulative payroll during the reporting period compared to corresponding payroll in the same period in the previous year. Calculated on the basis of the wages and salaries subject to unemployment insurance contributions.

Managing Director Janne Metsämäki

The economy and the employment situation have developed less favourably than forecast during the first half of the year, which has been reflected in a higher than expected unemployment. There are currently a number of uncertainties affecting the global economy. The trade war and the tariff disputes may have significant negative impacts on the Finnish economy. The war in Ukraine and the situation in the Middle East also have economic impacts even though it is difficult to predict how they will develop.

We lowered the forecast for Employment Fund's results for this year in April. We estimate that the deficit will be higher than previously anticipated. We also estimated that the employer's and employee's unemployment insurance contributions would have to be increased by 0.5–1.5 percentage points for the year 2026. Even if the contributions were increased by this amount for 2026, they would remain lower than before the lowering of the contributions for 2024 and 2025. We will present our proposal for the contribution levels at the end of August.

Even though the Finnish economy is slowing down and unemployment is on the increase, our liquidity remained solid throughout the first half of the year and we have successfully managed all our unemployment security and other social security financing tasks.

Numerous legislative projects

A large number of projects to amend the legislation pertaining to Employment Fund have been under way during the review period. They include the reform of the Act on the Financing of Unemployment Benefits, universal support, combinatory insurance, universal earnings-related benefit model, shortening of the lay-off notice period and abolition of the training compensation. We have taken part in the preparatory work coordinated by the Ministry of Social Affairs and Health, commented on draft legislative proposals and memoranda and submitted statements.

For Employment Fund, combinatory insurance would mean a new benefit that would be financed by the Fund. It is estimated that the model would increase the expenditure of Employment Fund by about EUR 10 million. Shortening of the lay-off notice period is expected to increase the expenditure of Half-year Report 1 Jan–30 Jun 2025 Managing Director's review 6 Employment Fund, and the estimates vary from negligible sums to up to EUR 40 million. The training compensation has involved a minor implementation task totalling about EUR 10 million and it has been fully financed by the government. Abolition of the compensation would not affect the balance between Employment Fund's income and expenses and it would not lead to any personnel changes.

In accordance with the Government Programme, the Government discussed a report on the universal earnings-related benefit model in its mid-term policy review session. Introduction of the universal model would significantly increase unemployment security expenditure. The Government decided that no preparatory work would be launched on the basis of the report.

On 1 January 2025, the responsibility for organising employment services was transferred from central government to employment areas formed by municipalities. As part of this change, municipalities' responsibility for the financing of unemployment security was expanded to partially cover the basic part of the earnings-related daily allowance, which reduced the government contribution by the same amount. From the perspective of Employment Fund, the reform has resulted in minor changes in the unemployment security funding process but has not affected our financing task.

Implementation of the Fund's strategy is progressing

Implementation of Employment Fund's strategy, which was updated in December 2024, was launched during the first half of the year. Producing customer-oriented services for the digital age in a reliable and high-quality manner, and boosting productivity and efficiency are our strategic goals. To monitor the achievement of these goals, we have prepared indicators that we use to regularly report on the progress towards the goals to the Fund's Board of Directors.

During the first half of the year, we have largely completed the transfer of our IT services to a new supplier and the construction of the required IT capabilities. In its strategic projects, the Fund uses IT capabilities to build more efficient digital services and to enhance the customer experience. A good example of these is the ongoing project in which we are updating our unemployment insurance contribution services.

The shutdown of the adult education allowance scheme has continued in accordance with the timetable specified in the law. The amount of allowances paid has already decreased significantly compared to 2024. At the same time, customer satisfaction has remained at excellent level.

Changes

I announced in February that I would retire at the end of 2025. By that date, I will have served a total of 11 years as the Managing Director of Employment Fund, and its predecessors, the Unemployment Insurance Fund and the Education Fund. These years have been characterised by change, progress, challenges and successes. My aim has always been to ensure that the Fund can develop and change so that it can perform its statutory tasks in a changing operating environment with maximum success. Excellence and talent create a solid basis for a successful Employment Fund. Karo Nukarinen, who currently serves as Employment Fund's Chief Financial Officer, will start as the new Managing Director on 1 January 2026.

The successes of the first half of the year have been the result of a cooperative effort by our personnel and our stakeholders. In particular, I would like to thank the Employment Fund's personnel for their dedication and excellent work during the past six months and over all these years.

Employment Fund's operating environment

The European Central Bank has made substantial cuts in interest rates and inflation in Finland has remained low. Despite this, economic growth remains sluggish and total output in Finland is expected to grow by about one per cent in 2025.

Slow economic growth has been reflected in a deteriorating employment situation, and the unemployment rate has continued to increase during the first half of the year. Despite rising unemployment, the financing contributions paid by Employment Fund have decreased as the impacts of the measures reducing unemployment security set out in the Programme of Prime Minister Petteri Orpo's Government are gradually being felt.

Outlook for the end of the year

In the payment estimate submitted to the Ministry of Social Affairs and Health in April 2025, we estimated that the change in Employment Fund's net position would be negative to the amount of about EUR 840 million in 2025 and net position positive to the amount of about EUR 430 million at the end of 2025.

When preparing the half-yearly financial statements, we estimated that the change in Employment Fund's net position would be negative to the amount of about EUR 740 million in 2025, which would mean a positive net position of about EUR 530 million at the end of 2025.

Helsinki, 26 August 2025

Employment Fund
Board of Directors

Additional information:

Janne Metsämäki, Managing Director, +358 40 522 3614
Karo Nukarinen, Chief Financial Officer, +358 50 564 0920

Distribution:

NASDAQ OMX Helsinki

Media

www.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

- [Download announcement as PDF.pdf](#)
- [Employment Fund Half-year Report 2025.pdf](#)