

Employment Fund's Supervisory Board Proposes an Increase in Unemployment Insurance Contributions

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Employment Fund's Supervisory Board has approved the Fund's budget for 2026 and decided to propose to the Ministry of Social Affairs and Health an increase in the total aggregate amount of unemployment insurance contributions by 0.6 percentage points for 2026 at its meeting on Thursday, August 28, 2025. The decision is in accordance with the proposal of the Employment Fund's Board of Directors.

The employer's average unemployment insurance contribution would be 0.92 percent of salary, which is 0.3 percentage points more than in 2025. The employer's average contribution includes a separate 0.02 percentage point common contribution that is used to finance the transition security. The employee's contribution would be 0.89 percent of salary, which is 0.3 percentage points more than in 2025.

According to the proposal, the employer's lower contribution would be 0.31 percent of the wage sum (up to a maximum of appr. EUR 2.5 million per year) and the higher contribution would be 1.23 percent of the wage sum (for the part that exceeds EUR 2.5 million).

The employer's part-owner contribution would be 0.31 percent of the salary, which is 0.11 percentage points more than in 2025. The employee's part-owner contribution would be 0.39 percent of the salary, which is 0.12 percentage points more than in 2025.

In addition, the Supervisory Board proposes that for the year 2026 the full transition security multiplier, that is used for determining the amount of transition security contribution, would be set to be 2.2, which is the same as in 2025.

An employee whose earnings level would be 4,000 euros per month would pay unemployment insurance contributions of 427.20 euros per year (35.60 euros per month) in 2026, which is 144 euros more than in 2025.

The proposition on unemployment insurance contributions is based on forecasts and calculations used by Employment Fund, which have also been used to draw up the Fund's budget for 2026. These have taken 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 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 high uncertainty. Employment Fund's basic forecast predicts that the unemployment rate will be approximately 9.4% in 2025 and will decrease to 8.9% 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 700 million euros more in 2025 than in previous year and around 100 million euros more in 2026.

According to the basic forecast prepared by Employment Fund, the change in the Fund's net assets will be approximately EUR 740 million negative in 2025 and would increase to approximately EUR 5 million positive in 2026 at the proposed payment level. With the proposed payment level, the Fund's business cycle buffer would be clearly below the forecast maximum amount at the end of 2026.

"The weak employment development has continued longer than expected, but in 2026 the economy and employment are predicted to pick up, although the unemployment level will still remain high. In 2024 and 2025, the level of unemployment insurance contributions has been reduced despite the challenging economic and employment situation by using the funds accumulated in the Employment Fund's business cycle buffer. Despite the increase, the level of payments will remain low: compared to the level in 2023, the level in 2026 will be 1.2 percentage points lower", says Employment Fund's Managing Director **Janne Metsämäki**.

"This year, the business cycle buffer is forecast to decrease further by over 700 million euros due to reduced revenues resulting from the reductions in unemployment insurance contributions and a higher-than-expected unemployment rate, despite the expenditure-reducing effect of the legislative changes implemented by the Government. The outlook for next year, especially regarding the level of unemployment, remains weak. The expenditure-reducing effects of legislative changes are not expected to increase significantly next year. 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 the unemployment insurance contributions", says **Karo Nukarinen**, Employment Fund's Chief Financial Officer.

The Finnish Parliament will confirm the final unemployment insurance contributions in autumn. The unemployment insurance contributions are specified by law every year.

Employment Fund's Budget for 2026

Employment Fund's Supervisory Board has approved the Fund's budget for the year 2026.

Figures are in millions of euros.

Key Figures	2025e*	Budget 2026	Change (EUR millions)
Unemployment insurance contributions and other income without state and municipal contributions	1,227	1,909	681
State and municipal contributions	693	645	-49
Financing contributions paid, administrative expenses and net financial income	-2,664	-2,548	117
Change in net position	-744	5	749
Net position	528	533	5
The maximum amount of the business cycle buffer	1,279	1,296	17
			Change (percentage points)
Unemployment insurance contribution % (employers, average)	0.62	0.92	0.3
Unemployment insurance contribution % (employees)	0.59	0.89	0.3
Change in the total wage sum %	2.5	3.6	1.1
Unemployment rate % (average)	9.4	8.9	-0.5

* 2025 figures are unaudited estimates

Source: Employment Fund and Statistics Finland (unemployment rate)

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Employment Fund

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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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