

# Employment Fund has submitted the Ministry of Social Affairs and Health an estimate of the level of unemployment insurance contributions for 2025

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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 could be reduced by 0.00-0.40 percentage points or be increased by not more than 0.10 percentage points for 2025.

Currently, the total amount of unemployment insurance contributions is approximately 1.61%.

The estimate of the amount of unemployment insurance contributions for the year 2025 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 evaluate the effects of the Government programme's entries and the decisions made in the Government's budget framework negotiations in April 2024.

According to the forecasts used by Employment Fund, the economic situation in Finland will remain challenging in 2024, but the situation will improve in 2025. Employment is expected to remain at a good level, and in Employment Fund's basic forecast, the unemployment rate is predicted to be approx. 8.0% in 2024 and to decrease to 7.7% in 2025.

The cost-reducing effect of the Government programme's entries on the expenses under Employment Fund's financial responsibility is estimated to be around 200 million euros in 2024 and around 600 million euros more in 2025.

During the Government's budget framework negotiations, decisions were made on channelling the savings included in the Government programme. Unemployment insurance contributions are allowed to change normally.

*"The chosen solution is clear from the Fund's point of view and means that we will prepare estimates and proposals for next year's unemployment insurance contributions on the same basis as in previous years",* says Employment Fund's CEO, **Janne Metsämäki**.

According to the basic forecast prepared by Employment Fund, the change in the Fund's net assets will be negative in 2024, but it will turn into a slight surplus in 2025 at the current payment level. In addition, it is estimated that mainly due to the effect of Government programme's entries, the maximum level of the business cycle buffer will decrease in 2025 and the maximum amount of the buffer will be reached at the end of 2025 at the current payment level.

*"The outlook for the economy and employment, the estimated cost-reducing effect of the Government programme's entries, the budget framework negotiation's entries and the business cycle buffer approaching its maximum amount in 2025 influenced our assessment that the unemployment insurance contributions will stay close to current levels or they will be reduced a little",* says **Karo Nukarinen**, Employment Fund's CFO.

At the end of 2023, Employment Fund's net assets (business cycle buffer) were EUR 2,021 million. In the 2023 financial statement release published in February 2024, we estimated that the change in Employment Fund's net assets would be approximately EUR 570 million negative in 2024 and that the net assets would be EUR 1,450 million positive on December 31, 2024. When preparing the payment estimate for 2025, we estimate that the change in the Employment Fund's net assets would be approximately EUR 620 million negative in 2024, which would mean positive net assets of approximately EUR 1,400 million at the end of 2024. The statutory maximum amount of the business cycle buffer is estimated to be approximately EUR 1,710 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 29 August 2024, 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, 23 April 2024  
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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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