

NB: Unofficial translation
Ministry of Labour, Finland

Unemployment Security Act 602/1984

CHAPTER 1 General provisions

Section 1 Purpose and scope of application

Under this Act, unemployed jobseekers residing in Finland whose livelihood must be considered to depend on wage income from work done for someone else are entitled to unemployment security.

Under this Act, persons engaged in entrepreneurship are also entitled to unemployment security. Section 13, paragraph 2, section 16, paragraphs 1-7, section 17, paragraph 1, subparagraphs 1-3, section 23 and section 26, paragraph 2, of this Act do not, however, apply to such persons. (22.12.1994/1317)

If, in connection with a case concerning daily unemployment allowance, it must be separately decided whether a person can be considered a resident of Finland, the decision shall be made according to the provisions of the Act on applying residence-based social security legislation (1573/1993). The decisions of the Social Insurance Institution or an unemployment fund can be appealed as provided in section 13 of the said Act. (30.12.1993/1582)

Section 1a (22.12.1994/1317) Persons engaged in entrepreneurship

For the purposes of this Act, persons engaged in entrepreneurship comprise those who are required under the Entrepreneurs' Pensions Act (468/1969) or Farmers' Pensions Act (467/1969) to take out in respect of their primary occupation the insurance referred to in the said Acts, and, in addition, those who work:

- 1) in a senior position in a limited-liability company in which they have at least a 15 per cent holding, or their family members or they and their family members together have at least a 30 per cent holding, of the share capital or of the votes carried by shares or otherwise have corresponding controlling power; or
- 2) in a limited-liability company where they or their family members, or they and their family members together, hold at least one half of the share capital or of the votes carried by shares, or otherwise have corresponding controlling power; or
- 3) in the manner stipulated in subparagraph 1 or 2 above, in some other undertaking or corporation where they, or their family members or they and their family members together, have controlling power corresponding to that referred to in the said subparagraphs.

A person is considered to hold a senior position in an undertaking if he is the managing director or a board member of a limited-liability company or if he holds a corresponding position in a limited-liability company or some other undertaking or corporation.

The spouse and the direct relatives in the ascending or descending line of a person employed in a company who reside in the same household with the said person are considered to be family members. Spouses who live permanently apart due to a breakdown of relations are not considered spouses.

Section 2

Benefit paid as unemployment security

A daily unemployment allowance is paid to unemployed jobseekers to secure their livelihood and to compensate for or to alleviate the financial losses caused by unemployment.

The daily unemployment compensation is paid as basic daily allowance (basic security) or earnings-related daily allowance (income security)

Section 3

Executive bodies

As the highest authorities, the Ministry of Social Affairs and Health manages, supervises and develops the implementation of unemployment security with regard to matters of subsistence security and the Ministry of Labour with regard to matters of labour policy.

In addition, in the administration of unemployment security, the provisions of the Health Insurance Act (346/1963) concerning the implementation of health insurance shall be observed, as applicable, with regard to basic security and the Act on Unemployment Funds (603/1984) with regard to income security unless otherwise prescribed in this Act.

The labour commission or the employment office shall issue an opinion binding on the Social Insurance Institution and the employment fund concerning the preconditions for receiving unemployment security with regard to labour policy, as provided in section 4, 4a, section 5, paragraph 1, subparagraphs 3, and paragraph 2, section 5a and 5b and sections 7, 7a, 8, 9, 9a, 10 and 11, as stipulated in more detail by decree. If so requested by the Social Insurance Institution or the employment fund, the labour commission or the employment office must supplement their opinion without delay. (11.7.1997/680)

A binding opinion is not issued, however, when an employee has been temporarily laid off as referred to in section 17 and the lay-off concerns at least ten employees. (22.12.1994/1317)

CHAPTER 2

General preconditions for receiving daily unemployment allowance

Section 4

Right to daily unemployment allowance

Unemployed persons able to work, who have registered at an employment office and seek full-time employment, are available to the labour market and have not been found employment or provided with training, are entitled to receive a daily unemployment allowance.

To retain their right to unemployment security, persons receiving said security shall register with an employment office in whatever manner it stipulates. (28.12.1990/1367)

Notwithstanding the provisions of paragraph 1, those on partial disability pension are also entitled to unemployment allowance even if they are not seeking full-time employment. (28.6.1993/565)

Section 4a

Right to daily unemployment allowance during voluntary and collective self-help work

A person is entitled to daily unemployment allowance under this Act also when doing charitable voluntary work or giving neighbourly help without pay.

Those who work without pay in undertakings or carry out duties which generally come under the employment relationship referred to in section 1 of the Contracts of Employment Act or under entrepreneurship are not considered unemployed as referred to in section 4, paragraph 1.

Section 5

Restrictions on the right to daily unemployment allowance

There is no entitlement to daily unemployment allowance in the following cases:

- 1) those under 17 years of age;
- 2) those aged 65 or older, following the calendar month during which they turn 65; (27.2.1987/226)
- 3) those not available to the labour market;
- 4) those who receive early old age pension or individual early retirement pension under the National Pensions Act (347/1956) or employment pensions acts, or old age pension on the basis of years of service entitling them to full pension; (27.2.1987/226)
- 5) those who receive unemployment pension or a pension referred to in the Act on Front Veterans Early Retirement Pension (13/1982);
- 6) those unable to work due to illness, defect or handicap;
- 7) those entitled to maternity, paternity or parental allowance under the Health Insurance Act or who have been granted leave on the basis of pregnancy and childbirth or childcare, or who receive special care allowance; (9.2.1990/98)
- 7a) repealed by Act no. 1131/1996;

- 8) repealed by Act no. 1317/1994;
- 9) those who receive generation transfer pension under the Farmers' Pensions Act (467/1969) or the Act on the Generation Transfer Pension (1317/1990) or farm closure allowance under the Farm Closure Allowance Act (1293/1994), for the duration of the relevant pension; (22.12.1994/1317)
- 10) repealed by Act no. 680/1997;
- 10a) those who receive training allowance under the Act on Labour Market Training (763/1990), for the duration of the allowance; (12.7.1993/665)
- 11) for periods of time-off based on a reduction in working hours in accordance with the law or a collective agreement; (30.12.1991/1692)
- 12) those who receive rehabilitation allowance under the Rehabilitation Allowance Act (611/1991) or in the acts, or pension rules or regulations referred to in section 8, paragraph 4, of the Employment Pensions Act, or a loss-of-earnings allowance on the basis of accident or traffic insurance, or on the basis of the provisions of the Military Injuries Act (404/1948) on rehabilitation; or (30.12.1991/1692)
- 13) for the period a person is entitled to receive severance pay or corresponding compensation from his employer under the law or a collective agreement or an employment contract, for the duration of the relevant benefit, or for the period over which the financial benefit received from the employer on the basis of some other agreement or arrangement, excluding training arranged or procured by the employer, can be divided on the basis of the amount which can be considered the person's regular wage; (30.12.1992/1651)
- 14) for the period over which the sales profit from the business assets of a person engaged in entrepreneurship as referred to in section 1a, deriving from closure of the business operations, can be divided on the basis of his employment income. Sales profit from fixed assets is considered to derive from closure of business operations also when it is received over a period of six months before the closure or evidential interruption of the business. More detailed provisions concerning sales profit and its determination can be issued by decree. (22.12.1994/1317)
- 15) for a period for which a person is entitled to receive annual holiday pay, or for which holiday remuneration received at the end of an employment relationship of at least one month or later can be periodized on the basis of the amount which can be considered to be his regular wage, or in the case of a recipient of basic daily allowance on the basis of the wages paid during his most recent employment relationship. (30.12.1997/1401)

Those who themselves posit restrictions that prevent them from accepting employment offered to them under conditions generally applied on the labour market or from taking training suitable for them or have posited restrictions due to which they have resigned from work or withdrawn from training are not considered available to the labour market in the manner referred to in paragraph 1, subparagraph 3. Such persons must be given reasonable time to eliminate obstacles such as child care, travel and the like. Those who are not able to accept offered employment or training due to foreign travel, reservist military manoeuvres, obligatory military service, imprisonment or hospital treatment or some other comparable institutional treatment or for some other corresponding reason are not considered available to the labour market, even when they have not been offered specific employment or provided with training. Those travelling abroad on an incidental trip of short duration, of which they have notified the employment office,

and during which they can be reached and are able to accept work or training within a reasonable and normal period of time, are considered available to the labour market.
(11.7.1997/680)

Those who receive a daily allowance under the Health Insurance Act or a disability pension under the National Pensions Act (347/1956) or a benefit conferred under some other law, paid on the basis of complete incapacity for work, are considered unable to work as referred to in paragraph 1, subparagraph 6, above. However, those receiving national old age pension under section 22, paragraph 2, of the National Pensions Act are entitled to daily unemployment allowance, providing that they meet all other preconditions laid down in this Act for receiving the allowance. In addition, those who have been verified as unable to work under the Health Insurance Act or the National Pensions Act are considered unable to work, even when they have not been granted the relevant benefit.

Notwithstanding the provisions of paragraph 1, subparagraphs 3 and 6, paragraphs 2 and 3 and section 4 on seeking employment and on ability to work, those entitled to daily unemployment allowance are also paid the allowance for the period they are unable to work but do not receive a daily allowance due to the restrictions referred to in section 19, paragraph 1, of the Health Insurance Act, or some other statutory compensation or sick pay from their employer.
(12.7.1993/665)

- Paragraph 6 has been repealed by Act no. 680/1997
- Paragraph 5 has been repealed by Act no. 1317/1994

Section 5a (22.12.1994/1317)

Full-time entrepreneurs

Those who are employed as entrepreneurs or are otherwise self-employed are not entitled to daily unemployment allowance for the period concerned. Agribusinesses are also considered as enterprises.

Those who start up an enterprise or self-employment as referred to in section 1a while unemployed are considered to have become employed in the manner referred to in paragraph 1 if the work required by such activity is substantial enough to make it impossible for them to accept full-time employment.

Those who have previously been in full-time employment as entrepreneurs as referred to in section 1a or are otherwise self-employed are considered employed as referred to in paragraph 1 until they have demonstrably terminated the relevant activity in full. Persons whose enterprise or self-employment has been demonstrably suspended are considered employed until the suspension has lasted four consecutive months. This restriction does not, however, apply to those who:

- 1) must be considered entrepreneurs comparable to wage-earners: an entrepreneur comparable to a wage-earner refers to a person who is personally involved in performing work and has a permanent principal-contractor relationship mainly with a single client and under that client's direct management and supervision; in addition, it is required that the person concerned has

- not employed more than one external employee at a time during the twelve months since registering as a jobseeker;
- 2) are engaged in an enterprise which is seasonal because of natural conditions;
 - 3) are engaged in an enterprise as a secondary occupation; provided that earlier employment or other reasons indicate that the work required by the relevant enterprise is so limited as not to prevent acceptance of full-time employment.

Section 5b (11.7.1997/680)

Full-time students

Those who must be considered full-time students are not entitled to daily unemployment allowance. Moreover, full-time students are not entitled to unemployment allowance even during study holidays.

Day-time studies in upper secondary school, a vocational institution or a folk high school or studies aiming for a university degree begun by an unemployed person are considered full-time study. Other studies begun by an unemployed person are considered full-time study as referred to in paragraph 1 if the amount of work required, taking into account the extensiveness of the study programme or curriculum, the commitment required by the studies, and previous employment and training, is so great that it prevents the person from accepting full-time work under conditions generally applied on the labour market. Training is always considered full-time when the amount of work required by the study programme or curriculum averages at least 25 hours of teaching per week or three credits per month. The restriction does not apply to those studying for recreational reasons or to those studying at night school on the upper secondary level, unless otherwise provided in paragraph 3.

Those who have earlier studied full-time are considered full-time students until they can prove that they have concluded their studies. Those studying in upper secondary or secondary school are always considered full-time students to the end of the school year. The restriction does not apply to those whose earlier regular employment or entrepreneurship while studying clearly indicate that their studies have not prevented them from accepting full-time employment, or to university students who can prove that they have interrupted their studies for at least one year.

Section 6

The effect of a labour dispute on payment of daily unemployment allowances

During a labour dispute, daily unemployment allowance shall not be paid to persons who:

- 1) have become unemployed as a direct result of a strike or lockout; or
- 2) have become unemployed as an indirect result of a strike or lockout, if it can be concluded from the circumstances that the labour dispute's purpose is to instigate changes which would also affect the employment relationship and wage conditions of the persons concerned.

If it is not clear whether a person is unemployed for reasons referred to in paragraph 1, the Social Insurance Institution or the unemployment fund shall, before paying the daily

unemployment allowance, request an opinion from the Advisory Committee on Unemployment Security referred to in section 35, paragraph 1. (18.11.1996/833)

Section 7

Obligation to accept employment

Those who without just cause refuse to accept employment indicated by the labour authorities or otherwise specifically offered to them, which is not covered by a strike, lockout or boycott, and which must be considered suitable for them on the basis of their ability to work and for which a wage based on a collective agreement is paid or, if no such agreement exists, a wage current in the employment locality, are not entitled to daily unemployment allowance for a period of two months as of the said refusal. If the employment would have lasted for a maximum of five days, the right to daily unemployment allowance comes into effect after one month.

(30.12.1997/1401)

During the first three months of unemployment, a person can refuse employment which can be considered unsuitable in terms of his vocational skills without forfeiting his right to daily unemployment allowance. For the purposes of this Act, a skilled person refers to jobseekers who either have vocational training and the related necessary work experience, or have sufficient work experience in the relevant field to have attained corresponding vocational skills.

Those who make an employment contract within the three months referred to in paragraph 2 above concerning work which will begin within three months of making the contract, and which corresponds to their vocational skills, are entitled within the said period to refuse employment which would prevent them from accepting the work referred to in the employment contract, without forfeiting the right to daily unemployment allowance.

If the labour authorities estimate that there are no employment opportunities within a person's work area suiting his vocational skills during the first three months of unemployment, and he is not willing to accept such employment elsewhere, nor employment within the work area suiting his work capacity, he is considered to have refused employment as referred to in paragraph 1.

A person without a family cannot refuse to accept permanent full-time employment offered outside his work area, which would secure his livelihood and for which a wage referred to in paragraph 1 is paid, without forfeiting his right to daily unemployment allowance if housing suitable for the person concerned is available at reasonable terms in the new locality. This also applies to persons with families if family circumstances do not prevent relocation, when suitable housing is available for the person concerned and his family at reasonable terms in the new locality. However, a person may refuse employment offered outside his work area if he has a weighty personal reason for so doing. The person concerned must always be heard when such matters are being investigated. (12.7.1993/665)

Unemployed persons can refuse to accept employment abroad without forfeiting their right to daily unemployment allowance.

The provisions of paragraph 6 do not apply to those who apply for work in some other country if they are paid daily unemployment allowance under an international treaty binding on Finland. (11.7.1997/680)

Section 7a (28.12.1990/1367)

Valid cause for refusing to accept employment

There is a valid cause for refusing part-time employment offered when the wage paid for the work and the possible daily unemployment allowance would be less than the daily unemployment allowance the person concerned is receiving, after the deduction of travel and other costs arising from acceptance of the employment. Part-time employment refers to employment in which the working hours are at most 75 per cent of the maximum working hours for full-time employees applicable in the sector. (11.7.1997/680)

Paragraph 2 has been repealed by Act no. 680/1997.

A person can refuse to accept employment outside his work area if the employment offered must be considered unreasonable in terms of the person's language skills.

Without forfeiting their right to daily unemployment allowance, unemployed persons can also refuse to accept employment for reasons other than those referred to in paragraphs 1-3 above if they have comparable validity.

Section 8 (12.7.1993/665)

Obligation to undergo training

Those who, without a valid cause, refuse to undergo, or who because of their own action are not selected for, training suitable for them and offered by the labour authorities, during which their and their dependants' livelihood will be reasonably secure at a level in accordance with the provisions of the Act on Labour Market Training, or who have withdrawn or been dismissed for their own fault from such training, are not entitled to daily unemployment allowance for a period of two months from the said refusal, non-selection, withdrawal or dismissal. With regard to those aged under 20, such training is considered vocational education where students receive the reasonable social benefits they are due. (30.12.1997/1401)

The provisions of section 7, paragraphs 6 and 7, on the obligation to accept employment apply to training referred to in paragraph 1 which is provided abroad. (11.7.1997/680)

Section 9 (9.2.1990/98)

Right to daily unemployment allowance in certain cases

Those who have, without a valid cause, resigned from their employment or have themselves caused the termination of the employment relationship are not entitled to daily unemployment allowance for a period of three months. If the relevant employment would have continued for a maximum of five days, the person in question is not entitled to daily unemployment allowance for a period of one month. Those who have by their own action prevented the conclusion of an

employment contract are not entitled to daily unemployment allowance for a period of two months. If the relevant employment would have continued for a maximum of five days, the person in question is not entitled to daily unemployment allowance for a period of one month. The said periods are calculated as of the date the person has by his own action prevented the conclusion of an employment contract, or the date on which the employment relationship ended. Those who repeatedly refuse measures proposed by the employment authority to assess capacity or physical ability to work, or other corresponding reasonable measures improving employability, without a valid cause, are not entitled to daily unemployment allowance for a period of two months. The period is calculated as of the date of the refusal. (30.12.1997/1401)

If an employee who has been given notice on grounds specified in section 37 of the Employment Contracts Act (320/1970) or section 39 of the Seamen's Act (423/78) has demonstrably contested the dismissal within the notice period and this is not considered a manifestly unfounded action on the employee's part, the person concerned cannot be found to have himself caused the termination of the employment relationship as referred to in paragraph 1 until a final decision has been made in the matter. When an employment relationship can be considered to have ended for a reason deriving from the employee after a legally valid ruling or some other decision considered final has been reached, the provisions of section 31 shall be applied to the recovery of any unduly paid daily unemployment allowance. (18.12.1992/1443)

- Paragraph 3 has been repealed by Act no. 1443/1992

For those who have been on the labour market for less than six weeks during the six months immediately preceding registration at an employment office and cannot offer an acceptable cause for this absence are not entitled to daily unemployment allowance for a period of two months as of registering as an unemployed jobseeker. A person is considered to have been on the labour market if he has been employed as referred to in section 16, paragraph 2, or employed as an entrepreneur or registered as a jobseeker at an employment office. (30.12.1997/1401)

Section 9a (28.12.1990/1367)

Valid reason for resigning

The cases referred to in section 43, paragraph 3, of the Employment Contracts Act (320/1970) constitute valid reasons for resigning from work.

Those who have accepted work which cannot be considered suited to their vocational skills have a valid cause for resigning from the work concerned during the period within which they would have been entitled to refuse said employment without forfeiting their right to daily unemployment allowance.

Reasons other than those referred to in paragraphs 1 and 2 above entitle persons to resign from work without forfeiting the right to daily unemployment allowance if they have corresponding validity.

Section 10

Work area

For the purposes of this Act, work area refers to the locality in which the person in question is domiciled, and to those localities commonly commuted to from the said domicile, unless special circumstances require otherwise.

The application of section 7, paragraphs 4 and 5, above presupposes that suitable labour is not available in the work area of the workplace located outside the work area concerned.
(28.12.1990/1367)

Section 11 (30.12.1997/1401)

Repeated refusal of employment or training

If a person who repeatedly and without valid cause refuses employment as referred to in section 7 or training as referred to in section 8, or if it can be concluded from his corresponding actions that he is not willing to accept employment or to undergo training suitable for him, he shall not be entitled to daily unemployment allowance until he has been employed, or in training as referred to in section 8, for at least three months.

Section 12 (6.9.1996/666)

Qualifying period

Daily unemployment allowance is paid to those who have been registered as unemployed jobseekers at an employment office for a total time corresponding to seven full work days over a maximum period of 8 consecutive calendar weeks. The qualifying period is applied once for each maximum period of payment of the daily unemployment allowance referred to in section 26. Days for which no adjusted daily unemployment allowance is payable because the working hour restrictions referred to in section 17, paragraphs 2 and 3, have been exceeded cannot be included in the qualifying period.

The qualifying period includes days during which the person concerned has been unable to work immediately after unemployment started and for which he has not received daily allowance on the basis of the Health Insurance Act, or some other comparable statutory compensations or sick pay from his employer.

CHAPTER 3

Special preconditions for receiving basic daily allowance

Section 13 (30.12.1993/1541)

Right to basic daily allowance

Those who meet the general preconditions for receiving unemployment security in accordance with chapter 2, as well as the previous employment requirement, are eligible for basic daily allowance.

The previous employment requirement is met when employment has continued for 43 calendar weeks within the 24 immediately preceding months (review period) in work where the working hours were at least 18 per calendar week, or the average working hours within a reference period were at least 18 per calendar week, under the employment contract and where the wage paid is in accordance with the relevant collective agreement or, if no collective agreement exists in the sector, where the monthly wage for full-time work corresponds to at least 40 times the basic daily allowance. At the request of the person concerned, a period of four consecutive calendar weeks where the total number of working hours is at least 80, distributed over each of the weeks, can be taken into account with regard to fulfilment of the previous employment requirement. Any given work can be taken into account only once. Only the work the person concerned has done after turning 16 years of age is taken into account with regard to fulfilment of the previous employment requirement. In addition, the provisions of section 16, paragraphs 3—5, apply to the previous employment requirement. A third of the work for the wage costs of which the employer has received the support referred to in section 2, paragraph 2, and chapter 2a of the Act on Labour Market Support shall be included in the period of employment referred to in this paragraph, though not beyond 16 calendar weeks. (30.12.1997/1356)

The previous employment requirement for a person engaged in entrepreneurship as referred to in section 1a above is met when the person concerned has been employed as an entrepreneur for a total of 24 months during the 48 immediately preceding months, and the business activity concerned has been substantial. Work meeting the previous employment requirement referred to in paragraph 2, done within the immediately preceding 24 months, can also be taken into account. In addition, the provisions of section 16a, paragraphs 4 and 5, apply to the previous employment requirement. More detailed provisions concerning the extent of business activity fulfilling the requirement can be issued by decree. (22.12.1994/1317)

In addition, the provisions of section 16, paragraphs 7 and 8, apply to basic daily allowance.

A period of not more than 16 calendar weeks during which the person concerned has received training allowance under the Act on Labour Market Training can be equated with the employment period referred to in paragraph 2 above. (30.12.1997/1357)

Section 14

Section 14 has been repealed by Act no. 1541/1993.

Section 15

Basic daily allowance and earnings-related daily allowance

Basic daily allowance is not paid to persons entitled to receive earnings-related daily allowance.

CHAPTER 4

Special preconditions for receiving earnings-related daily allowance

Section 16

Wage-earners' right to earnings-related daily allowance

Members of an unemployment fund (insured) who have been insured for at least the ten preceding months and met the previous employment requirement during the period they were insured in the fund are entitled to receive earnings-related daily allowance. (6.9.1996/666)

The previous employment requirement is met when the person's insurance coverage has continued for 43 calendar weeks within the 24 immediately preceding months (review period) in work where the working hours were at least 18 per calendar week or where the average working hours within a reference period are at least 18 per calendar week under the employment contract, and where the wage paid is in accordance with the relevant collective agreement or, if no collective agreement exists in the sector, where the monthly wage for full-time work corresponds to at least 40 times the basic daily allowance. At the request of the person concerned, a period of four consecutive calendar weeks where the total number of working hours is at least 80, distributed over each of the weeks, can be taken into account with regard to fulfilment of the previous employment requirement. Any given work can be taken into account only once. A third of the work for the wage costs of which the employer has received the support referred to in section 2, paragraph 2, and chapter 2a of the Act on Labour Market Support shall be included in the period of employment referred to in this paragraph, though not beyond 16 calendar weeks. (30.12.1997/1356)

In sectors with unusual working hours arrangements, the weekly working-hour requirement can be diverged from under conditions prescribed in more detail by decree if a person's livelihood can be considered to depend on the work concerned in view of his earnings.

If a person is prevented from being on the labour market because of illness, institutional care, obligatory military service, studies, childbirth, childcare or some other comparable and valid reason, the review period referred to in paragraph 2 can be extended correspondingly, though not beyond seven years. (6.9.1996/666)

If the insured has been absent from the labour market without valid cause for more than six months, or has worked as an entrepreneur as referred to in section 1a for more than 18 months, he will not be paid earnings-related daily allowance until he meets the previous employment requirement referred to in paragraph 1, following the absence or the aforementioned work. In such a case, the 24-month review period commences when the person concerned enters employment following the absence or work. (22.12.1994/1317)

- Paragraph 6 has been repealed by Act no. 666/1996

If insurance or employment periods completed in another state covered by an international agreement binding on Finland must be taken into account in determining the right to earnings-related daily allowance, such periods shall be counted in the previous employment requirement if

the person concerned has worked at least four weeks in Finland immediately before becoming unemployed, or if the employment was intended to continue for four weeks but ended earlier for a reason beyond the employee's control. (28.6.1993/554)

If, under an international agreement binding on Finland, a person has been paid daily unemployment allowance for a period during which he has sought employment in other states, and if the said person has not returned to Finland within the three-month maximum period concerning the right to daily unemployment allowance referred to in the said agreement, payment of the daily unemployment allowance will not be resumed if the person concerned has not been employed or in training as referred to in section 8 for four weeks in Finland. (28.6.1993/554)

Section 16a (22.12.1994/1317)

Entrepreneurs' right to earnings-related daily allowance

Those who have been engaged in entrepreneurship as referred to in section 1a and who are members of an unemployment fund and have been insured for at least the 24 preceding months, and who have met the previous employment requirement for entrepreneurs, while insured in an entrepreneurs' unemployment fund, are entitled to earnings-related daily allowance.

The previous employment requirement for entrepreneurs, is met when the person concerned has worked as an entrepreneur for a total of 24 months during the 48 preceding months (review period), and the business activity has been substantial. The extent required for the business activity to fulfil the previous employment requirement can be prescribed in more detail by decree.

Notwithstanding the provisions of paragraphs 1 and 2, a maximum of six months of work and insured condition acquired as an unemployment-fund member as referred to in section 16, paragraph 2, can also be counted in the previous employment requirement for entrepreneurs, provided that a member of a wage-earners' unemployment fund joins an entrepreneurs' fund within a month of becoming an entrepreneur and resigning from the wage-earners' unemployment fund.

If a person is prevented from being on the labour market because of illness, institutional care, obligatory military service, studies, childbirth, childcare or some other comparable and valid reason, the review period referred to in paragraph 2 can be extended correspondingly, though not beyond seven years. (6.9.1996/666)

If the insured has been absent from the labour market for more than twelve months without valid cause, he will not be paid daily unemployment allowance based on his earnings as an entrepreneur until he has met the previous employment requirement for entrepreneurs referred to in paragraph 2 following the absence. In such a case, the 48-month review period commences when the person concerned has started entrepreneurial activities following the absence.

Section 16b

Right of employees in the maritime sector to earnings-related daily allowance (supplementary insurance)

An employee who is resident in Finland and employed in work referred to in the Seamen's Act (423/1978) on a foreign merchant ship engaged in foreign trade is entitled to receive earnings-related daily allowance in accordance with the provisions of the present Act applying to employees provided the unemployment fund of which the employee is a member has arranged supplementary insurance in line with the terms and grounds confirmed by the Ministry of Social Affairs and Health. The provisions on State subsidies in Chapter 2 of the Act on Financing Unemployment Benefits (555/1998) shall apply to the financing of said supplementary insurance. In other respects the financing of the supplementary insurance shall be the responsibility of the relevant unemployment fund.

Notwithstanding the provisions of section 23, paragraph 1 and section 24 of the present Act, the Ministry of Social Affairs and Health shall have the power to confirm the size of and grounds for calculating the benefit payable as supplementary insurance as referred to in paragraph 1 above. The full amount shall nevertheless not exceed the level of earnings-related daily unemployment allowance prescribed in the Act. (30.12.1998/1175)

CHAPTER 5

Adjusted unemployment allowance

Section 17

Right to adjusted unemployment allowance

Under the preconditions laid down in sections 1 and 2 and chapters 2-6 of this Act, the following are entitled to adjusted unemployment allowance:

- 1) those whose working hours have been reduced because of a temporary lay-off;
- 2) those whose employment relationship has been made part-time under section 39a of the Contracts of Employment Act;
- 3) those who have been transferred to a part-time office under the State Civil Servants' Act (755/1986);
- 4) those who have accepted part-time employment while unemployed;
- 5) those who have accepted full-time employment lasting no more than a month while unemployed;
- 6) those who have started entrepreneurial activities while unemployed, with the exception of those referred to in section 5a; and (22.12.1994/1317)
- 7) those who have become unemployed from their full-time occupation but have continued a secondary occupation that they engaged in side by side with their full-time work or who receive income from entrepreneurial activities begun before they became unemployed (secondary occupation).

Those whose hours of work exceed 75 per cent of a full-time employee's maximum working hours in the sector concerned during a one-week review period in the cases referred to in paragraph 1, subparagraph 1, or during a month or four consecutive calendar weeks in the

cases referred to in paragraph 1, subparagraphs 2-5, are not entitled to adjusted unemployment allowance. (6.9.1996/666)

Those whose regular hours of work under an employment contract exceed 75 per cent of a full-time employee's maximum working hours in the sector concerned during a reference period in the cases referred to in paragraph 1, subparagraphs 1-5, are not entitled to adjusted unemployment allowance. (6.9.1996/666)

Section 18 (30.12.1993/1537)

Size of the adjusted unemployment allowance

Adjusted unemployment allowance is paid in such a way that the unemployment allowance and 50 per cent of income received may, within a month or during four consecutive calendar weeks (adjustment period), rise to the amount which could otherwise have been paid as unemployment allowance. (6.9.1996/666)

The maximum payable amount of earnings-related daily allowance, including any child increases, and work income received during the adjustment period shall not exceed 90 per cent of the wages it is based on, but shall not be less than the person concerned is entitled to receive as basic daily allowance. (28.6.1994/586)

When the adjusted unemployment allowance is determined, the shorter period referred to in paragraph 1 can be used as the adjustment period if the person concerned accepts employment as referred to in section 17, paragraph 1, subparagraph 5, which takes place during two separate adjustment periods. When a shorter adjustment period is applied, the income earned during the said period must be converted into computed work income. Income from the employment referred to in section 17, paragraph 1, subparagraph 5, above is taken into account in the adjustment even when the person concerned has not been registered as a jobseeker as prescribed in section 4. (28.6.1994/586)

At the beginning or end of a change in circumstances as referred to in section 17, paragraph 1, subparagraphs 1-4, the shorter period referred to in paragraph 1 can also be applied as the adjustment period for the purpose of determining unemployment allowance, provided that the change begins or ends before the end of the month in question. In such a case, the adjusted unemployment allowance is determined on the basis of computed work income. (28.6.1994/586)

The computed work income is obtained by multiplying the daily wage by the factor 21.5. The daily wage is obtained by dividing work income by the computed work days included in the period concerned.

Work income is considered to comprise wage income and taxable fringe benefits and, in the case of entrepreneurial activity, the portion of income from business and professional income, farming or other gainful employment which is considered work income and is so stated in taxation. However, an estimated or otherwise ascertainable markka amount corresponding to the situation at the time unemployment allowance is paid can also be confirmed as income.

Section 19 (30.12.1993/1537)

Duration of adjusted unemployment allowance

The maximum payable amount of adjusted unemployment allowance is 150 full daily unemployment allowances over no less than 18 months.

Adjusted unemployment allowance shall not, however, be paid for periods in excess of 24 months even if the maximum number of 150 days has not been completed.

Adjusted unemployment allowance determined on the basis of section 17, paragraph 1, subparagraph 7, is not, however, included in the maximum amounts referred to in paragraphs 1 and 2.

When the maximum periods referred to in section 26 are computed, the adjusted unemployment allowance is converted into full unemployment allowance days, excluding any adjusted unemployment allowance determined on the basis of section 17, paragraph 1, subparagraph 7.

When a person has been employed for at least six months without interruption in work where the working hours correspond to the maximum working hours of full-time employees generally applied in the sector, calculation of periods of unemployment days and of the 18 and 24-month periods shall begin again.

When the maximum unemployment allowance amount referred to in paragraph 1 has been paid, the person concerned can resign from the employment without forfeiting the right to daily unemployment allowance.

Adjusted unemployment allowances paid for the year 1999 shall not, however, be included in the maximum amounts referred to in paragraphs 1 and 2. (30.12.1998/1175)

Sections 20-21

Sections 20-21 have been repealed by Act no. 1537/1993.

CHAPTER 6

Size of daily unemployment allowances and duration of the allowance period

Section 22

Size of the basic daily allowance

The full amount of the basic daily allowance is 120 markka per day. (30.12.1997/1401)

The amount of the basic daily allowance is computed in accordance with the provisions of sections 17-19 and section 27. (30.12.1993/1541)

Section 23

Size of the earnings-related daily allowance

Earnings-related daily allowance comprises a basic component corresponding to a full basic daily allowance, and an earnings-related component. The earnings-related component is 42 per cent of the difference between the daily wage and the basic component. When the monthly wage is greater than 90 times the basic component, the earnings-related component is 20 per cent of the amount by which the daily wage exceeds this. Including child increases, the earnings-related daily allowance cannot exceed 90 per cent of the daily wage of the insured; it must, however, be at least as much as the basic amount including any child increase. (30.12.1991/1694)

For the purposes of converting the monthly wage to a daily wage or vice versa, a month comprises 21.5 working days.

The earnings-related daily allowance is computed on the basis of the regular wage of the person concerned for the period immediately preceding unemployment during which the said person has met the previous employment requirement referred to in section 16, paragraph 2. If the work concerned or the wage income from it has been seasonal or irregular, the proportion of a year's income corresponding to one month is used in computing the earnings-related daily allowance. When computation of the maximum daily unemployment allowance payment period referred to in section 26, paragraph 4, is reinitiated, the wage on which the daily unemployment allowance is based is redetermined. The daily unemployment allowance determined on the basis of new wage data must, however, be at least equal in amount to the basic daily allowance, and at least 80 per cent of the daily unemployment allowance paid earlier to the person concerned. The comparison is, however, made with the full daily unemployment allowance of a completely unemployed person. The child increases referred to in section 24 are not then included in the daily unemployment allowances thus compared. The right to earnings-related daily allowance of those receiving a partial disability pension or a partial pension is determined according to the situation when payment of the pension began. This also applies to those who have received a partial pension immediately before receiving an earnings-related daily allowance. What is prescribed above applies to those who have been on the job alternation leave referred to in section 1, paragraph 1, of the Act on the Job Alternation Leave Experiment (1663/1995) or who have received the part-time supplement referred to in section 34a of the Employment Decree (130/1993). More detailed provisions concerning determination of the wage used as a basis for computing earnings-related daily allowance will be issued by decree. (6.9.1996/666)

Wage or other income from a secondary occupation is not taken into account in determining the amount of the earnings-related daily allowance.

Section 23a (22.12.1994/1317)

Size of the earnings-related daily allowance of entrepreneurs

The earnings-related daily allowance of persons who have been engaged in entrepreneurial activities is computed according to section 23, paragraphs 1 and 2, as applicable.

The daily allowance is determined on the basis of the work income according to which the person engaged in entrepreneurial activities has insured himself in an entrepreneurs'

unemployment fund for a maximum total period of 24 months before unemployment. This work income cannot, however, be higher than that confirmed under the Entrepreneurs' Pensions Act or the Farmers' Pensions Act for the said period, or the average wage under the Employment Pensions Act during the said period. If the work income changed during the said period, the work income to be used as the basis for the size of the daily unemployment allowance is computed by dividing the total amount of confirmed work incomes by the corresponding period of time. An increase in work income exceeding 20 per cent is not, however, taken into account. More detailed provisions concerning how the wage income used as the basis for computing earnings-related daily allowance should be determined will be issued by decree.

Section 24 (21.8.1995/1061)

Child increase

The daily allowance of recipients of the allowance who have custody of children under 18 years of age is raised by a child increase of 24 markka for one child, 35 markka for two children together and a total of 45 markka for three or more children.

Section 25 (30.12.1997/1401)

Increase in benefits

The markka amounts prescribed in sections 22 and 24 of this Act are revised as prescribed in the Act (348/1956) on linking the pensions and subsidies prescribed upon in the National Pensions Act. In revising the markka amount the sum taken into account shall be rounded down to the last full markka. (30.12.1998/1175)

Section 26 (30.12.1993/1541)

Duration of the allowance period

The basic daily allowance and the earnings-related daily allowance are paid for a maximum of 500 days of unemployment. If a person has turned 60 years of age prior to the end of the maximum period, the daily allowance is paid until the end of the calendar month during which the maximum number of 500 days are completed. In addition, unemployment days for which the person concerned has received unemployment benefit in a country with which Finland has signed an agreement concerning unemployment security are included in the aforementioned maximum number. The maximum number of work, qualifying period, daily unemployment allowance and compensation days is five per calendar week. Moreover, the days for which training allowance as referred to in the Act on Labour Market Training are also included when the five-day maximum is computed. (6.9.1996/666)

Notwithstanding the provisions of paragraph 1 concerning the maximum number of 500 days, persons who have turned 57 years of age before completion of the said maximum can also be paid a basic daily allowance or an earnings-related daily allowance to the end of the calendar month during which they turn 60 years of age. (6.9.1996/666)

Those born before 1944 are covered by the protection provision.

- Paragraph 3 has been repealed by Act no. 666/1996

Computation of the maximum number of 500 days referred to above in paragraph 1 shall be reinitiated when a person who has been granted a daily allowance earlier meets the employment condition referred to in section 16, paragraph 2. The same procedure is followed for those referred to in section 1a who have met the previous employment requirement referred to in section 16a, paragraph 2, without interruption. (6.9.1996/666)

Section 27

Impact of social benefits on daily unemployment allowance

The amount of the full basic daily allowance or earnings-related allowance of those receiving a statutory benefit other than those referred to in section 5, or those receiving a national pension under section 22, paragraph 2, of the National Pensions Act, is reduced by the amount of the benefit concerned. The following pensions and social benefits are not, however, taken into account: (27.2.1987/226)

- 1) survivors' pensions;
- 2) care allowance as referred to in the National Pensions Act; (9.2.1990/98)
- 3) disability indemnity under the Employment Accident Insurance Act;
- 4) annuity and supplementary annuity under the Military Injuries Act; (27.2.1987/226)
- 5) disability allowance under the Act on Disability Allowances (124/1988); (9.2.1990/98)
- 6) severance pay under the Act on Severance Pay (947/1978) and the State Civil Servants Act (755/1986); (9.2.1990/98)
- 7) housing allowance under the Act on Pensioners' Housing Allowance (591/1978);
- 8) housing allowance under the Housing Allowance Act (408/1975);
- 9) child allowance benefit under the Child Allowance Act (541/1948);
- 10) income support under the Social Welfare Act (710/1982);
- 11) supplementary military pensions;
- 12) conscripts' dependants' allowance under the Conscript's Dependants Allowance Act (566/1948); (11.1.1985/34)
- 13) compensations for special costs under the Employment Accidents Insurance Act and the Military Injuries Act; (27.2.1987/226)
- 14) repealed by Act no. 1651/1992;
- 15) front-veterans pension; (27.2.1987/226)
- 16) elected officials' pension accrued under the Act on Elected Officials' Pensions (578/1977) and paid as a lump sum under the Act repealing the Act on Elected Officials' Pensions (981/1992). (14.6.1996/419)

In converting the benefit computed per month, as referred to in paragraph 1, into a per diem benefit or vice versa, a month is considered to comprise 21.5 days.

Section 27a (12.7.1993/665)

The impact of supplementary pension and child home care allowance on daily unemployment allowance (20.12.1996/1131)

The full basic allowance or earnings-related allowance of those receiving a supplementary pension arranged by an employer which is higher than the minimum pension provided for under the Employment Pension Act is reduced by the amount of the pension.

If a person entitled to daily unemployment allowance or the person's spouse receives child home care allowance under the Act on Child Home Care Allowances and Private Care Allowances (1128/1996), the full basic daily allowance or earnings-related daily allowance of the person in question is reduced by the amount of the benefit. The child home care allowance received by the spouse is not reduced if the spouse cares for the child herself/himself and is not therefore eligible to receive daily unemployment allowance or labour market support under the Act on Labour Market Support. When both spouses are unemployed and receive daily unemployment allowance or labour market, the reduction is made on the benefit of the spouse to whom the home care allowance has been granted. (20.12.1996/113)

CHAPTER 7

Applying for daily unemployment allowance and processing applications

Section 28

Applying for daily allowance

Applications for basic daily allowance shall be submitted to the Social Insurance Institution. The Social Insurance Institution shall request the opinion referred to in section 3, paragraph 3. (8.11.1996/833)

If the application cannot be filed with the Social Insurance Institution without undue inconvenience, the application concerning unemployment allowance can be submitted to the employment office within whose area the applicant permanently resides and is domiciled. The employment office shall then pass on the application to the Social Insurance Institution and enclose the opinion referred to in section 3, paragraph 3. (8.11.1996/833)

Applications for earnings-related daily allowance shall be submitted to the unemployment fund, with which a written application shall be filed, and which shall request the opinion referred to in section 3, paragraph 3.

The clarifications concerning the applicant required for a Labour Commission or Employment Office opinion shall be brought by the applicant in person to his local employment office, unless otherwise instructed by the office.

Applicants for daily unemployment allowance are required to provide the Social Insurance Institution or the unemployment fund with the information required for granting and paying unemployment allowance. Daily unemployment allowance is paid as of the date the right to it arises, but not for a retroactive period in excess of three months prior to applying for the allowance, unless there is especially weighty cause. (6.9.1996/666)

If the application for earnings-related daily allowance is rejected, an application for basic daily allowance is considered to become pending when the application has been filed with the unemployment fund, provided that the applicant applies for basic daily allowance within three months of receiving notice of the said rejection. (27.2.1987/226)

Section 29

Right of access to certain information

Employers, authorities of the State, of municipalities and of other corporations under public law, insurance and pension institutions, pension foundations, unemployment funds and the providers of training services as referred to in the Act on Labour Market Training are required to provide, on request and free of charge, employment offices, labour commissions, the Social Insurance Institution, unemployment funds and unemployment security officials and the appeal authorities referred to in this Act with any information needed for resolving the unemployment compensation applicant's right to the compensation, or for granting and paying the social benefits for students referred to in the Act on Labour Market Training, and to provide the applicant in question with all information pertaining to him free of charge, unless otherwise prescribed in the Publicity of Official Documents Act (83/1951). (21.5.1999/645)

The Ministry of Social Affairs and Health is entitled to obtain information needed for supervising the implementation of this Act from the implementing authorities, the National Board of Taxation, the Social Insurance Institution, financial institutions paying benefits, and unemployment funds.

Upon request, employment offices and labour commissions are required to provide unemployment security officials with opinions based on labour policy to whatever extent the latter deem necessary. (9.2.1990/98)

For the purpose of taking decisions on basic daily allowance and on the training and special allowances referred to in the Act on Labour Market Training, the Tax Administration shall, without delay and not later than the end of the tax year, provide the Social Insurance Institution with data on the income of each taxpayer indicated by taxation in that year, itemized by income type and, in the case of wage income, with the amount of work-related expense deductions and natural deductions. (30.12.1991/1716)

Employers and authorities of the State, of municipalities and of other corporations under public law, insurance and pension institutions, pension foundations, the Central Pension Security Institute and unemployment funds are required to provide the Ministry of Social Affairs and Health and the Social Insurance Institution, without charge, with any information required in order to fulfil obligations arising from international agreements.

The Social Insurance Institution must notify the relevant unemployment fund if a recipient of earnings-related daily allowance or his/her spouse is granted home care allowance referred to in the Act on child home care allowance and private care allowance (1128/1996). (30.12.1997/1401)

Section 29a

Register of benefit recipients

The register of benefit recipients is a permanent personal data register maintained by the ministry concerned to assist in carrying out functions related to monitoring the implementation of unemployment security, compiling statistics on unemployment benefits, and preparing and monitoring legislation related to unemployment benefits.

Such data on recipients of benefits paid by the unemployment funds, on the actual benefits paid to said recipients, and on the grounds for the payment of said benefits as is needed for the working of the unemployment benefits payment system may be collected and entered in the register.

Data shall be removed from the register of benefit recipients when its retention is no longer necessary for the fulfilment of the aims of the register. (30.12.1998/1175)

Section 30

Unemployment security violation

Whosoever provides false or misleading information in a document submitted on the basis of this Act or a decree issued under it, or has gained daily unemployment allowance without cause by providing false information or concealing the true circumstances, or has been paid a daily allowance unlawfully although he should reasonably have been aware that he was not entitled to it, shall be sentenced to a fine for an unemployment security violation unless a more severe punishment is prescribed elsewhere in the law.

Section 31 (18.4.1997/330)

Recovery

If a benefit referred to in this Act has been paid unduly or in too large an amount, the excessive amount shall be recovered.

Recovery can be waived completely or in part if this is considered reasonable and undue payment of the allowance is not considered to have been caused by the applicant's or his representative's deceitful procedure or gross negligence, or if the amount unduly paid is minor.

The amount concerned can be recovered from a benefit paid at a later date by the Social Insurance Institution or an unemployment fund, though taking into consideration what the Execution Act provides concerning the minimum subsistence amount to be waived in the distraint of wages. Without consent, however, such a recovery can be used only in the case of benefits based on this Act or other corresponding benefits.

Legally valid recovery decisions can be enforced in the same way as legally valid decisions.

Section 32

Payment of daily unemployment allowance to a social welfare board

If, under section 38 of the Social Welfare Act, a social welfare board has paid an advance to an unemployed person against an expected daily unemployment allowance, the social welfare board shall, if it so requests, be paid an amount of the daily unemployment allowance corresponding to the advance.

If so requested by the social welfare board, the daily unemployment allowance can, if particularly weighty cause exists, be paid to the board temporarily, or for a set period, to be used for maintenance of the unemployed person, his family and the children referred to in section 24 in his care and custody. (27.2.1987/226)

CHAPTER 8

Implementation and administration

Section 33

Division of labour between the Ministry of Social Affairs and Health and the Social Insurance Institution

It is the function of the Ministry of Social Affairs and Health to issue general instructions with regard to unemployment security in order to create uniform practices for basic security and income security. Moreover, the Ministry is entitled to issue unemployment funds with binding procedure regulations in order to create uniform procedure in granting, paying and recovering benefits referred to in this Act. (12.7.1993/665)

The Social Insurance Institution shall pay the basic security benefits referred to in this Act by way of its local offices.

Section 34

Labour commissions

The functions of labour commissions operating in connection with employment offices other than those referred to in section 3, paragraph 3, will be prescribed by decree. In addition, provisions on their composition, existence of a quorum, decision-making, compensation for expenses, and the fees of members will also be prescribed by decree.

Section 35

Advisory Committee on Unemployment Security

There shall be an Advisory Committee on Unemployment Security at the Ministry of Social Affairs and Health, appointed by the Council of State, its function being to assist the Ministry of Social Affairs and Health and the Ministry of Labour by making proposals and issuing opinions concerning developments in unemployment security and its implementation. More detailed

provisions concerning the Advisory Committee on Unemployment Security and its functions will be prescribed by decree.

There shall be an Advisory Committee on Unemployment Security at the Social Insurance Institution, appointed by the Council of State, whose functions and composition will be prescribed by decree.

- Section 36 has been repealed by Act no. 645/1999

Section 36a (8.11.1996/833)

Distrain officers' right to receive information

At the request of the authority concerned, the Social Insurance Institution and the unemployment fund shall disclose, for purposes of distraint, the amount of daily unemployment allowance paid by them, and any other institution they are aware of that pay subsistence benefits to the person in question.

CHAPTER 9

Funding unemployment security

Section 37 (24.7.1998/557)

Funding

The basic daily allowance and the related child increase shall be paid from government funds and the proceeds from the employee's unemployment insurance contributions. The government must pay a monthly advance such that the total amount of the advances in any given year equals the estimated total amount payable by the government in that year, and that the advances are sufficient to cover the recipient's outgoings every month. Costs incurred by the Social Insurance Institution in administering activities prescribed by this Act shall be regarded as its administrative expenses.

The payment of the contribution from government funds shall be prescribed in greater detail by decree.

The Social Insurance Institution shall also be entitled to use the advances referred to in paragraph 1 to cover expenses referred to in articles 69 and 70 of Council Regulation (EEC) No. 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community.

CHAPTER 10

Appeal

Section 38

Decisions of the Social Insurance Institution and unemployment funds, and their appeal (8.11.1996/833)

The Social Insurance Institution and the unemployment funds shall provide the applicant with a written decision in matters pertaining to the grant, refusal or recovery of daily unemployment allowance. (8.11.1996/833)

Binding opinions issued by labour commissions and employment offices under section 3, paragraph 3, cannot be appealed separately.

Section 39

Unemployment Appeal Board

In matters pertaining to unemployment security, the first-level appeal authority is the Unemployment Appeal Board.

The Unemployment Appeal Board shall comprise a chairman who can be full-time, and the necessary number of vice chairmen, lawyer and physician members, and representatives of the labour authorities and labour market organizations, who serve with the responsibility of a judge. Personal deputies shall be appointed for members other than the chairman and the vice chairman. (23.12.1987/1193)

The Council of State appoints the chairman, vice chairmen, other members and their deputies for three years at a time. What is prescribed concerning holders of judgeships is otherwise applicable to their right to remain in office. One half of the members appointed to represent the labour market organizations shall be proposed by the main central employer's organizations and the other half by the main central organizations of salaried and wage-earning employees. The chairman, vice chairmen and lawyer members and their deputies shall hold a qualification entitling them to the post of judge and have good knowledge of matters related to unemployment security. The physician members and their deputies must be licensed physicians with knowledge of medico-actuarial science. The Board can operate through subcommittees. Such subcommittees shall be quorate if the chairman and one member appointed to represent the main central employers' organizations and one to represent the main central organizations of salaried and wage-earning employees, and one representative of the labour authorities are present. One of the members present must be a physician when a medical issue is of material importance in bringing a matter to a decision.

Unless otherwise prescribed elsewhere, the provisions of the Act on the Application of Administrative Law (586/1996) shall apply in the handling of cases by the Unemployment Appeal Board. If necessary, the Unemployment Appeal Board will take oral evidence to assist in reaching a judgement, as provided in section 37 of the Act on the Application of Administrative Law. (5.3.1999/301)

Legally valid decisions of the Unemployment Appeal Board can be enforced in the same way as legally valid judgements.

The Unemployment Appeal Board functions in connection with the Ministry of Social Affairs and Health, and the costs arising from its activities are paid out of government funds.

More detailed provisions concerning the Unemployment Appeal Board will be prescribed by decree.

Section 40 (18.4.1997/330)

Appeals

Whosoever is unsatisfied with a decision of the Social Insurance Institution or an unemployment fund can appeal the decision to the Unemployment Appeal Board, and the decision of the Board to the Insurance Court. The decision of the Insurance Court cannot be appealed.

The appeal petition must be submitted to the Social Insurance Institution or the relevant unemployment fund within 30 days of the appellant's receiving notice of the decision.

Notwithstanding appeal, decisions of the Social Insurance Institution or an unemployment fund must be observed until the matter has been settled by a legally valid decision.

Section 40a (18.4.1997/330)

Rectification by the Social Insurance Institution or an unemployment fund

If the Social Insurance Institution or an unemployment fund fully allows the claims made in an appeal to it, it must issue a rectification decision. The rectification decision can be appealed as prescribed in section 40.

If the Social Insurance Institution or an unemployment fund is unable to rectify a decision that has been appealed as referred to in paragraph 1, it must submit the petition appeal and its opinion to the relevant appeal authority within 30 days of the end of the term of appeal. The Social Insurance Institution or the unemployment fund can then issue a temporary decision to rectify its earlier decision on the claims made in the appeal it allows. If the appeal has already been delivered to the appeal authority, it must be immediately notified of the temporary decision. Temporary decisions cannot be appealed.

The period referred to in paragraph 2 above can be derogated from if so required for the procurement of any additional information necessitated by the appeal. The appellant must be immediately notified that additional information is being procured. The petition of appeal and the opinion must always, however, be delivered to the relevant appeal authority within 60 days of the end of the term of appeal.

Section 40b (18.4.1997/330)
Delayed appeal

Even if an appeal made to an the Unemployment Appeal Board or the Insurance Court has arrived after the period prescribed in section 40 has run out, the relevant appeal authority can, nevertheless, process the appeal if impelling reasons exist for the delay.

Section 41 (18.4.1997/330)
Date of notification of a decision

Unless otherwise demonstrated, the appellant is considered to have been notified of a decision on the seventh day following mailing of the decision to the address provided by the appellant.

- Section 42 has been repealed by Act no. 301/1999

Section 43 (18.4.1997/330)
Cancellation of decisions

When a legally valid decision concerning a benefit referred to in this Act is based on untrue or insufficient information or is manifestly unlawful, the Insurance Court can cancel the decision, after having heard the other interested parties, if so recommended by the Social Insurance Institution or the relevant unemployment fund or requested by the person concerned, and order the matter to be reprocessed. After having made the said recommendation, the Social Insurance Institution or the unemployment fund can temporarily suspend payment of the benefit or pay it in accordance with the recommendation, until the matter has been resolved.

In addition, the relevant ministry can recommend to the Insurance Court that a decision of an unemployment fund or the Unemployment Appeal Board which is erroneous in the manner described above be cancelled. After having made the said recommendation, the ministry can temporarily suspend payment of the benefit or order that it be paid in accordance with the recommendation.

If new information arises pertaining to a matter concerning the grant of a denied benefit or an increase in a benefit granted, the Social Insurance Institution or the unemployment fund must reprocess the matter. Notwithstanding an earlier legally valid decision, the Social Insurance Institution or the unemployment fund can grant a denied benefit or increase the amount of the benefit. The Unemployment Appeal Board and the Insurance Court can also proceed in similar manner when processing an appeal. The decisions can be appealed as prescribed in section 40.

Section 43a (18.4.1997/330)
Rectification of errors

If a decision of the Social Insurance Institution or an unemployment fund is based on clearly faulty or insufficient information, or on manifestly erroneous application of the law, the Social Insurance Institution or the unemployment fund can cancel the faulty decision and reprocess the matter with the interested person's consent.

If a decision contains a manifest clerical error or miscalculation, the Social Insurance Institution or the unemployment fund must rectify it. An error cannot be rectified, however, if the rectification leads to a result unreasonable to the party concerned.

An entry must be made concerning the rectification on the Social Insurance Institution's or unemployment fund's deposited copy. The person concerned must be provided with the rectified or new decision. If an appeal process is under way in the matter, the Social Insurance Institution or the unemployment fund must notify the appeal authority that it is processing the rectification and submit its decision in the matter to that body.

Decisions whereby the Social Insurance Institution or the unemployment fund disallow a claim pertaining to the rectification of an error cannot be appealed.

When processing a factual or clerical error, the Social Insurance Institution or unemployment fund can temporarily suspend the payment of benefit in part or completely.

Section 43b has been repealed by Act no. 330/1997.

Section 43c (9.2.1990/98)
Unemployment security official

Each labour district office shall have an unemployment security official appointed by the Ministry of Labour, to supervise the legality and uniformity of the opinions referred to in section 3, paragraph 3. Under section 40, unemployment security officials are entitled to appeal matters concerning the labour policy preconditions for receiving daily unemployment allowance to the Unemployment Appeal Board and the Insurance Court within 30 days of the decision having been issued and, under section 43, to appeal the cancellation of a legally valid decision to the Insurance Court. (12.7.1993/665)

Unemployment security officials are entitled to attend and speak at meetings of the Unemployment Appeal Board.

Unemployment security officials are entitled to order the Social Insurance Institution, unemployment funds and the Unemployment Appeal Board to provide them with decisions concerning specified persons. (8.11.1996/833)

More detailed provisions concerning unemployment security officials will be prescribed by decree.

CHAPTER 11

Miscellaneous provisions

Section 44

Payment of daily unemployment allowance

Daily unemployment allowances are paid retroactively at least once a month.

When daily unemployment allowances are paid, penni amounts between 1 and 50 are rounded down to the nearest full markka, and those between 51 and 99 are rounded up to the nearest full markka.

If the daily unemployment allowance payable to a person per month is lower than the basic allowance, no daily allowance is paid.

If a daily unemployment allowance granted is not withdrawn within six months of becoming available for withdrawal, the allowance shall be forfeited, unless it is considered reasonable to decide otherwise for an especially weighty reason. (27.2.1987/226)

Section 45

Collection of daily unemployment allowance in certain cases and distraint of daily unemployment allowance

When a person has received daily unemployment allowance for the period for which he is retroactively granted a national pension or a pension based on civil service or other employment or entrepreneurship, change-of-generation pension or farm closure pension, farm closure compensation or allowance, or front-veterans' early pension, unemployment funds or the Social Insurance Institution can collect the amount of the unfounded daily unemployment allowance from the retroactively paid pension, farm closure compensation or farm closure allowance. (8.11.1996/833)

The unemployment fund or the Social Insurance Institution must notify the relevant pension institution at least two weeks in advance that the pension, compensation or allowance must be paid to the unemployment fund or the Social Insurance Institution in accordance with paragraph 1. (8.11.1996/833)

If a person has unfoundedly received basic daily allowance for the period for which he is retroactively granted an earnings-related daily allowance, the Social Insurance Institution can collect the amount of the unfounded basic daily allowance from the retroactively paid earnings-related daily allowance. Correspondingly, an unemployment fund can collect the amount of unfounded earnings-related daily allowance from retroactively paid basic daily allowance. (8.11.1996/833)

Basic daily allowance cannot be distrained. (27.2.1987/226)

Any agreement that means transferring to another a right based on this Act shall be null and void.
(18.4.1997/330)

Section 46

Marriage-like circumstances and separation (27.2.1987/226)

For the purposes of this Act, a person with whom the applicant continuously lives in a shared household in marriage-like circumstances without entering into matrimony, is also considered a spouse.

The provisions of this Act concerning spouses do not apply to spouses who have been granted a separation or who otherwise live permanently apart because of a breakdown in relations.
(27.2.1987/226)

Section 47

Right to issue decrees

The following will be prescribed by decree:

- 1) initiation of entrepreneurship or self-employment as referred to in section 5a, paragraph 2;
- 2) termination or suspension of entrepreneurship or self-employment as referred to in section 5a, paragraph 3;
- 3) work experience required for professional skills as referred to in section 7, paragraph 2;
- 4) the reasonable terms of housing referred to in section 7, paragraph 5;
- 5) the weighty personal reason referred to in section 7, paragraph 5;
- 6) the assessment of the availability of suitable labour referred to in section 10, paragraph 2.
(22.12.1994/1317)

More detailed provisions concerning the implementation of this Act will be issued by decree.
(28.12.1990/1367)

Section 48

Entry into force

This Act comes into force on January 1, 1985, and it is applicable to benefits concerning the period beginning as of that date. Unemployment benefit and unemployment allowance granted earlier will be converted into benefits prescribed under this Act as of January 1, 1985.

When computing the periods referred to in section 16, section 18, paragraph 1, and in sections 19 and 26, the time before this Act comes into force shall also be taken into account.

Those receiving an unemployment benefit or allowance under an earlier act will be paid at least the same amount in basic daily allowance or earnings-related allowance after withholding of taxes as the said benefit or allowance for as long as unemployment continues uninterruptedly.

- Paragraph 4 has been repealed by Act no. 666/1996

Measures needed to enforce this Act can be taken before it comes into effect.