

Measures proposed by Finnish social partners on 18th March

Trade unions and employers agreed on Wednesday 18 March on following support measures for the Finnish economy during the Coronavirus outbreak:

Social security costs

1. **Employers' pension contribution will be lowered temporarily:** private sector pension contribution will be decreased by 2.6 % of salary. In effect latest [1.6.2020](#) and [until 31.12.2020](#). Will be funded by so-called EMU buffers within the pension system. The buffers will be gradually restored during 2022-2025 by increasing the corresponding contribution.
2. **Postponement of pension contribution payments:** we encourage the pension companies to agree on a 3-month postponement of pension contributions from companies.
3. **Improvement of re-lending of pension contributions:** in the current pension system companies can take loans from pension companies if they have a guarantee by a bank or other credit institution. The system should be improved and Finnvera should give these guarantees to companies up to 100 % of loans.
4. (Customer bonuses of pension companies should be frozen)

Employment legislation changes (temporary until [31.12.2020](#))

5. **Faster temporary layoffs:** in the current law there are minimum periods for collective negotiations for layoffs (either 14 days or 6 weeks depending on situation). Both will be shortened to 5 days in case of temporary layoffs of shortening of working time because of the crisis.

1. **Layoffs possible also for fixed-term contracts** (currently only with restrictions)
2. **Shorter notice period for temporary layoffs** (from 14 days to 5 days)
3. **Urgent layoffs in acute crisis:** there is already in the current law an emergency possibility to lay off personnel even before the collective negotiations have been carried out (14 days / 6 wks) if continuation of operations is severe endangered. However, this has not been used extensively due to legal uncertainty. Social partners now agreed that the Coronavirus outbreak is a situation where this paragraph can be applied on a case-by-case basis.
4. **Payment of salaries if operations are discontinued because of government actions:** no obligation to pay salaries of operations are discontinued because of government's actions to prevent the virus outbreak. In this case state should pay the salaries up to 14 days.
5. **Possibility to terminate employment contract on trial period:** it should be possible to terminate employment contracts on trial period also because of economic and operational reasons.
6. (Improvement of obligation to take back employee: if an employee is laid off based on these temporary measures, employer has a longer 9-month obligation to re-employ him/her after the situation improves.)
7. (Improvement of unemployment benefits: no own risk days in the beginning of unemployment i.e. unemployment benefit from day 1)
8. (Shorter period for income-related unemployment benefit: only 13 weeks employment needed to be qualified for income-related unemployment benefits)
9. (Administrative changes for employers in noticing authorities on layoffs)
10. (Government ensures funding of benefits for temporarily laid off personnel by taking a share of the costs [until 31.12.2020](#))

11. (Additional state funding in order to ensure liquidity and operations of unemployment funds, eur 20 million)