

## 8. Finland

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The Finnish social security system is exceptional because it is divided into housing-based and work-based social security, which are also intertwined. To fall within the scope of housing-based social security third-country nationals must have a (worker's) residence permit of at least one year and are required to have moved to the country permanently. Permanent residence is decided regardless of nationality on the basis of an overall assessment. Proof of permanent residence can be shown mainly with an open-ended employment contract or a fixed-term employment contract for at least two years.

Housing-based social security includes benefits provided by KELA (Social Insurance Institution of Finland). These include medical allowances, health and social care, sickness and parental allowances, child allowances, national pensions and guarantee pensions, the basic labour market support in the event of unemployment, and housing subsidies.

### Box 1 Sector specific variations of social security rules

Typically, all groups of workers are covered by the same system, the housing-based social security system, but the group that mainly falls 'in-between' and that is worse off is the self-employed. Also, because the abovementioned social security system requires quite a long residence permit in Finland, seasonal workers are typically not covered by the basic social security system. They receive only emergency health-care assistance.

Table 1.8 Overview of the relationship between form of migration and entitlement to a particular social security service

Third-country national categories	Social security categories					
	Health insurance	Pension contributions	Unemployment insurance	Basic security (social assistance)	Insurance against accidents at work	Child benefits
Posted workers	Yes*	Yes*	Yes*	Yes*	Yes, if fulfils the requirements of the insurance company	Yes*
Intra-corporate transfers	Yes*	Yes*	Yes*	Yes*	Yes, if fulfils the requirements of the insurance company	Yes*
Seasonal workers	No (only emergency health care)	No	No	No	Yes, if fulfils the requirements of the insurance company	No
Temporary agency workers	Yes*	Yes*	Yes*	Yes*	Yes, if fulfils the requirements of the insurance company	Yes*

Third-country national categories	Social security categories					
	Health insurance	Pension contributions	Unemployment insurance	Basic security (social assistance)	Insurance against accidents at work	Child benefits
High-level professionals	Yes*	Yes*	Yes*	Yes*	Yes, if fulfils the requirements of the insurance company	Yes*
Self-employed	Yes*	Not eligible for the 'normal' type because the Finnish system requires an employer	No (but a new system called the combined insurance for self-employed is in the pipeline.)	Yes*	No, because no employer is involved	Yes*

Note: \* if the requirements that the third-country national must have a (worker's) residence permit of at least one year and that they have moved to the country permanently are fulfilled.

Source: Author's analysis, 2022.

### Box 2 Changes during the Covid-19 pandemic

Only a few changes were made, especially for the better, and mainly regarding unemployment benefits for people who had been furloughed. These changes ceased to exist by the end of 2020. The changes also applied to third-country nationals, but only if they were entitled to receive unemployment benefits.

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## Description of the Finnish system

### 1. Overview of social security rights of short-term third-country-national migrant workers

The Finnish social security system is mainly housing-based with a strong link to work. To come within the scope of housing-based social security a third-country national must have a (worker's) residence permit of at least one (1) year and they are required to have moved to Finland permanently. Permanent residence is decided regardless of the worker's nationality and type of worker's residence permit, which can be fixed term (and then either temporary or continuous) or permanent. Proof of permanent residence can be shown mainly with an open-ended employment contract or a fixed-term employment contract for at least two years. The right to housing-based social security is decided based on an overall assessment.

### 2. Differences in social security rights of different categories of short-term third-country-national migrant workers

Because the criteria mentioned above are the basis for the whole system, the main groups of workers from third countries fall into its scope when the abovementioned criteria are met. The only groups of workers that are worse off are seasonal workers who do not stay in Finland permanently or the self-employed, who in general lack the very important status of worker, on which most benefits are based.

### 3. Conditions for obtaining different social security rights

Many of the benefits must be self-bought, like pension systems and/or insurance, and not even unemployment benefits are at all guaranteed for the self-employed.

### 4. Portability of benefits between host country and country of origin

Because most social benefits are housing-based, so-called portability of these benefits with the country of origin is rare. Thus all the benefits remained mainly the same during the Covid-19 pandemic, too.

Housing-based social security benefits are usually provided by KELA, Finland's Social Insurance Institution. The other actors – mainly in the field of unemployment benefits – are the unemployment funds that operate mainly in close connection with trade unions and are based on an insurance model. Otherwise, Finland has a two-part unemployment benefit system, which guarantees minimum unemployment protection for all third-country nationals who are considered to reside in Finland (under the Act on the Application of Social Security Legislation on Residence (1573/1993)), regardless of the type of residence permit.

Unemployed third-country nationals have the right to:

- earnings-related daily allowance if they are members of the above-mentioned unemployment fund and the conditions of employment are met (such as earning at least the minimum salary according to the collective agreement or at least €1,252 a month (in 2021), having worked at least 26 calendar weeks before unemployment, having been a member of the fund for that time and having worked at least 18 hours per calendar week);
- a basic daily subsistence allowance if they are not entitled to earnings-related daily subsistence allowance and if they are considered to reside in Finland under the law and if they fulfil the condition of employment;
- labour market support if they are considered to live in Finland under the law (no previous employment history required);
- any other social support, if not otherwise accessible.

## 5. Social security rights of short-term third-country-national migrant workers during the Covid-19 pandemic

No actual new income transfers were created in Finland because of the pandemic. Instead, the unemployment insurance conditions were temporarily relaxed in many respects. For example, it was easier to obtain unemployment benefits, especially under furlough. Also the so-called deductible period (five days) was temporarily not applied and hence more people were able to receive benefits and more quickly. Normally, the state does not contribute to the funding of daily allowances during furlough, but during the pandemic, the funding was temporarily changed.

The relaxation especially of the conditions of unemployment benefits was able to reduce the amount of work required for entitlement to unemployment benefits and thus sped up the payment process.

In addition, a special daily allowance is paid if dealing with a highly contagious disease. During the pandemic, the number of recipients of this rare daily allowance multiplied.

All in all, according to research, Finnish social security operated flexibly during the Covid-19 crisis and responded quickly to emerging needs.

## 6. Overview of enforcement and monitoring

The social security laws are supervised by KELA and the state and issues rarely rise. If they do, a person can take the case to the administrative Court, with the possibility of appealing to the High Administrative Court. Also, the trade unions can be involved through the unemployment funds, even though they are separate actors.