

Unemployment benefits: Activation model, from 1st January 2018 onwards

Dear Recipient,

The purpose of this letter is to tell you about the activation model for unemployment benefits, which was introduced at the beginning of 2018.

The activation model means the requirement that a full unemployment benefit is available only to those who have been employed or self-employed or have participated in services that promote employment.

Kela pays you an unemployment benefit and will therefore monitor whether you meet this requirement.

What is meant by activity

Kela monitors your activity during review periods which consist of 65 payment days. You meet the activity requirement if you satisfy at least one of the following criteria during the review period:

- work of at least 18 hours and rate of pay as per collective agreement or at least EUR 6.91 per hour. The rules for activity may be different for teachers, homeworkers, athletes and artists.
- self-employment earnings of at least EUR 241.04
- five days of participation in a service that promotes employment
- five days of participation in some other service or activity which is arranged by the labour authorities and designed to improve your employment prospects
- five days of participation in some other activity which provides support in job search and during which you are paid an unemployment benefit.

Use the unemployment status report at www.kela.fi/asiointi (Finnish) or www.fpa.fi/etjanst (Swedish) to provide details on your activity.

Effect of the activation model on the rates of unemployment benefits

Your unemployment benefit is not reduced if you complete one of the abovementioned activities.

If you do not meet the activity requirement during the review period, your unemployment benefit is reduced by 4.65% for the following 65 days of payment. For example, if you are paid a full unemployment benefit at the rate of EUR 32.40 per day before taxes, your benefit will be reduced to EUR 30.89 per day. Over a period of one month, this corresponds to one day's worth of unemployment benefits.

Once you meet the activity requirement, your unemployment benefit will be restored to its full rate at the beginning of the following review period. If you do not meet the requirement, you will continue to receive the unemployment benefit at the reduced rate for the next review period. Your unemployment benefit will not be reduced further, but the 4.65% reduction will continue to apply.

Circumstances in which it is not necessary to meet the activity requirement

The activation model does not apply to all recipients of unemployment benefits.

You are not expected to meet the activity requirement described in this letter if

- you have claimed an unemployment pension and have not yet received a decision on your claim
- you are an informal or family caregiver
- you are paid a social benefit on account of disability or injury (such as a partial disability pension, partial rehabilitation subsidy or disability allowance)
- you are paid unemployment benefit on account of a temporary layoff or reduction in working hours for less than 65 days.

Additional information

There is no need to reply to this letter or to contact Kela about the activation model. You must simply provide information about your activity in the unemployment status report.

Starting at the end of March, you can look up your activity status on Kela's online customer service at www.kela.fi/asiointi (Finnish) or www.fpa.fi/etjanst (Swedish).

More information about how the activation model affects unemployment benefits is available online at www.kela.fi/unemployment.

More information about services that promote employment can be found at www.kela.fi/tyollistymista-edistavat-toimenpiteet.

Kind regards,

Kela - The Social Insurance Institution of Finland