



20/01/2026

EUROPEAN SOCIAL CHARTER

Follow-up to Collective Complaint No. 172/2018
Finnish Society of Social Rights v. Finland

submitted by

THE GOVERNMENT OF FINLAND

Report registered by the Secretariat

on 20 January 2026

**Ministry for Foreign Affairs of Finland**

Legal Service

Unit for Human Rights Courts and

Conventions

VN/13994/2022

VN/13994/2022-UM-5

20 January 2026

Mr Henrik Kristensen
Executive Secretary
European Committee of Social Rights

Ref. 40/2025 GS/IU

Complaint No. 172/2018**Finnish Society of Social Rights v. Finland****GOVERNMENT'S REPORT ON THE FOLLOW-UP TO THE DECISION OF THE COMMITTEE**

Sir,

With reference to your letter of 21 July 2025, by which the Government was requested to submit a report on the follow-up to the complaint decision of 14 September 2022 in the above indicated matter (later "Decision") of which the Committee of Ministers adopted Recommendation CM/RecChS(2023)1 (later "Recommendation") on 14 June 2023, I have the honour, on behalf of the Government of Finland, to submit the following report on the measures taken to give effect to the above-mentioned Decision and Recommendation.

1. GENERAL

1. The Government recalls that in the above-mentioned Recommendation the Committee of Ministers stated the following:

"The Committee of Ministers,

[...]

Having noted that the ECSR in its decision on the merits found that the situation in Finland is in violation of the following provisions of the Revised European Social Charter:

Article 12§1 of the Charter due to a manifestly inadequate level of sickness, parental, rehabilitation benefits, basic unemployment allowance and guarantee pension.

The ECSR recalled that, with regard to income-substituting benefits, the level of benefits should be such as to stand in reasonable proportion to the previous income and the level should in any event not fall below 50% of the median equivalised income. Where an income-substituting benefit stands between 40% and 50% of the median equivalised income, the ECSR also takes

Postal Address

Ministry for Foreign Affairs of Finland
PO Box 176
FI-00023 Government

Office

Ministry for Foreign Affairs of
Laivastokuja 3
00160 Helsinki

Telephone

+358 2 951 6001

Fax

+358 9 629 840

E-mail, internet

kirjaamo.um@gov.fi
www.um.fi

into account other supplementary benefits. However, when the minimum level of an income-substituting benefit falls below 40% of the median equivalised income, the ECSR does not consider that its aggregation with other benefits can bring the situation into conformity, the level being manifestly inadequate.

The ECSR noted that in Finland monthly sickness, parental and rehabilitation benefits in 2021 corresponded to 34% of the median equivalised income before income tax and to 27% of the median equivalised income after income tax. Basic unemployment allowance in 2021 also corresponded to 34% of the median equivalised income before income tax and to 27% of the median equivalised income after income tax. The guarantee pension in 2021 corresponded to 39% of the median equivalised income.

The ECSR noted that the level of sickness, parental, rehabilitation benefits, basic unemployment allowance and guarantee pension fell below 40% of the median equivalised income and was therefore manifestly inadequate within the meaning of Article 12§1 of the Charter and it was not necessary for the ECSR to consider the possible impact of other supplementary benefits.

Article 13§1 of the Charter in view of the inadequate level of basic social assistance and of the labour market subsidy.

The ECSR recalled that social assistance must be adequate, such as to make it possible to live a decent life and to cover an individual's basic needs. The ECSR noted that, in 2021, the level of basic social assistance corresponded to less than 24% of the median equivalised income and that this percentage even represented a decrease when compared to the previous years. With regard to the labour market subsidy, the ECSR noted that, in 2021, it amounted to about 34% of the median equivalised income but it was subject to income tax, after which it amounted to about 27% of the median equivalised income.

The ECSR therefore considered that the level of social assistance and of the labour market subsidy was inadequate.

Having regard to the response provided by Finland, in which the government emphasised the following:

“Finland is committed to the implementation of the revised European Social Charter and highly appreciates the expert guidance provided by the ECSR.

In its evaluation of the decision in question, the ECSR has used a mechanical calculation formula to assess the adequacy of the social security level. However, this type of formulaic calculation model that is based on the monetary evaluation of individual benefits is not the most suitable for an evaluation of the Finnish social security system.

In any case, the level of social security has improved in recent years due to increases made to social security benefits and small pensions. Furthermore, the government has launched a comprehensive reform of the social security system that aims at a clearer and more efficient system for individuals. The fundamental and human rights aspects have been and will continue to be thoroughly examined in this reform.”

Recommends that Finland:

- *pursue further the ongoing efforts to increase the level of sickness, parental, rehabilitation benefits, basic unemployment allowance and guarantee pension, as well as the level of basic social assistance and of the labour market subsidy, having regard to the development of costs of living in Finland;*
- *consider ways and means of collecting information to demonstrate how the Finnish social protection system through its combination of different types of benefits, in cash and in kind, is able to ensure a decent living standard (as measured in relation to median equivalised income) for all beneficiaries whatever their individual circumstances (family status, housing situation, etc.);*
- *indicate the actions taken to comply with this recommendation in the forthcoming report on follow-up to this decision.”*

2. The Government has given due consideration to the Decision and the Recommendation and provides the following information on the measures taken to implement the recommendations.

2. FINLAND'S SOCIAL SECURITY SYSTEM

2.1. About the social security system

3. The core of Finland's social security system can roughly be divided into three tiers: minimum security, basic security, and earnings-related security. Minimum security in Finland generally refers to social assistance, basic security consists of flat-rate benefits based on specific risks, and earnings-related security refers to benefits tied to previous income. The focus of this report is on certain basic security benefits and their level as well as basic social assistance. Outside this classification are various cost reimbursements, such as housing allowances, medicine reimbursements, child benefits, and disability allowances, which complement all three tiers. Services and payment ceilings can also be considered part of social security.

4. When assessing the consistency of Finland's system with the provisions of the revised European Social Charter (later "Charter"), this overall structure of Finland's social security system should be taken into account. Ignoring supplementary benefits when the level of an individual basic benefit falls below 40% of the national average income does not give an accurate picture of the actual overall level of social security. All low-income households are entitled to general housing allowance to cover housing costs.

5. Housing allowance is an important element of the Finnish social security system, and many recipients of social security benefits and other households with low income from employment also receive housing allowance. In December 2024, 382,000 households received general housing allowance and 202,400 pensioners received pensioners housing allowance.¹

6. The general housing allowance covers up to 70% of a household's housing costs. For rental housing, housing costs include rent, water, and heating expenses. In addition, social assistance can be granted for housing costs if the household is unable to pay its own share. The amount of housing allowance for pensioners is 85% of the eligible housing costs, after deducting the basic deductible and an additional deductible. The basic deductible is €681.39 per year, which is about €56.78 per month, and it is the same for everyone. The additional deductible depends on the income of the pensioner. Some statistics about the combination of housing allowance together with minimum rate benefits are provided at the end of this report to better elaborate the different combinations of benefits.

7. Furthermore, the Government wishes to refer, where relevant, to the reports submitted in 2022 concerning cases *Finnish Society of Social Rights v. Finland* (No. 108/2014) and *Finnish Society of Social Rights v. Finland* (No. 88/2012).

2.2 The sustainability of public finances

8. As part of the Government's overall strategy to strengthen public finances, changes have been made to various social security benefits – some already implemented, others currently under parliamentary review. The Finnish social security system is widely based on residence, though certain social security benefits and services are based on employment. The benefits granted by the Social Insurance Institution of Finland (Kela) and the health and social services provided by wellbeing services counties are based on residence. Employment-based social security covers earnings-related pensions and insurance against occupational accidents and diseases. Unemployment benefits, parental allowance and sickness allowance are based on both residence and employment. The strength of a residence-based social security system is its wide personal coverage. It ensures risk-based social security benefits also to persons who are not in employment. In order to ensure a broad and effective coverage, a sustainable level and financing for the residence-based benefits needs to be established and maintained.

9. The state of public finances has been significantly weakened by the fact that Finland's economic growth over the past decade has been poor compared to previous periods, other Nordic

¹ Housing Allowance Statistics 2024 (available in Finnish and Swedish), Social Insurance Institution of Finland, <https://tilastojulkaisut.tietotarjotin.fi/asumistuki/2024/>

countries, and the EU average. In the coming years, demographic trends will further undermine the conditions for economic growth. The public finances have been in deficit since 2009. Without a substantial change in economic policy, the debt-to-GDP ratio will continue to rise throughout the 2020s. Although the State's ability to service its debt remains good, it will steadily deteriorate unless public finances are strengthened. Potential crises in the coming years could lead to a situation where the Government is unable to respond appropriately due to fiscal constraints. In such a case, there would be a need for sudden cuts in public spending and tax increases.

10. The suspension of index adjustments of certain minimum-level social security benefits has been used as a measure to strengthen public finances and it has a direct effect to the level of the benefits in relation to the median equivalised income. Alongside the economic downturn, the Government's savings target for state finances can be considered a valid reason to intervene to some extent in benefit levels, given the long-standing structural imbalance between public revenues and expenditures. Finland's deficit, which adds to public debt, is substantial, and stabilizing the debt ratio will require rapid and significant measures in the coming years. In international comparison, due to Finland's high tax burden and the need to safeguard conditions for economic growth, the balancing public finances cannot be achieved solely through tax increases. Therefore, the Government's goal of balancing public finances also requires direct spending cuts. By ensuring the sustainability of public finances, the Government aims to maintain the ability of public authorities to meet their obligations in the future.

3. DEVELOPMENT OF BENEFITS

3.1 Level of sickness, parental, rehabilitation benefits, basic unemployment allowance and guarantee pension

11. The Government recalls that according to the European Committee of Social Rights (ECSR), with regard to income-substituting benefits, the level of benefits should be such as to stand in reasonable proportion to the previous income and the level should in any event not fall below 50% of the median equivalised income. Where an income-substituting benefit stands between 40% and 50% of the median equivalised income, the ECSR also takes into account other supplementary benefits. However, when the minimum level of an income-substituting benefit falls below 40% of the median equivalised income, the ECSR does not consider that its aggregation with other benefits can bring the situation into conformity, the level being manifestly inadequate.

3.2 Calculation of sickness and rehabilitation benefits

12. In the Statement of interpretation of Article 12 of the Charter it is explained that "[t]o be considered as adequate, the level of benefit should in cases of wage substitution, whether temporary or permanent, always stand in a reasonable relation to the wage in question and should in any event exceed the minimum subsistence level."² The ECSR has stated that the level of income-substituting benefits should be such as to stand in reasonable proportion to the previous income and they should in any event not fall below a threshold defined as 50% of the median equivalised income. The system should cover a significant percentage of the active population as regards income-replacement benefits.³

13. In the following paragraphs the Government wishes to elaborate how income-substituting benefits are calculated and what their personal scope is. This explanation reflects the legislation in place in 2025. This clarification may be helpful, since the Finnish social security system is largely residence based which means that all residents are entitled to these benefits. The minimum rate social security benefits do not require previous economic activity⁴. The benefits are not only intended to substitute earned income, but to provide cover to residents from the relevant social risks, so that when facing such risks a person would not only be depending on means-tested social assistance.

² Conclusions XVI-1 - Statement of interpretation - Article 12-1, 12-2, 12-3

³ ECSR Conclusions 2017, Turkey

⁴ With the exception of basic unemployment allowance.

The minimum rate benefits are paid to persons with low prior income and economically inactive persons without prior income.

14. For instance, the amount of the sickness and rehabilitation allowance is 70% of the insured person's annual income divided by three hundred, if the annual income does not exceed €28,241 ($0,7 \times \text{annual income} : 300$). For the part exceeding this, the amount of the sickness allowance is 15% of one-three-hundredth of the annual income. Annual income includes salary income, insurance salary, income earned through self-employment, certain benefits, and certain compensation for loss of earnings.

15. Where the annual income is below €13,712 the benefit is paid by its minimum rate (€31,99 per working day *i.e.* Monday to Saturday). This means that the wage substitution is 70% or more for persons whose annual income is €0 – €13,712.

3.3 Development of the minimum rate for sickness, parental and rehabilitation benefits

16. In 2022 and 2023, the following index adjustments were made to social security benefits linked to the national pension index. At the beginning of 2022, the minimum amount of sickness allowance, parental allowance, and rehabilitation allowance was increased to €29.67 per day, resulting in a monthly amount of €741.75.

17. In 2022, an additional 3.5% index increase was applied to almost all social security benefits tied to the national pension index. The purpose of this increase was to safeguard the purchasing power of low-income benefit recipients during accelerating inflation. As part of the index adjustment, the minimum amounts of sickness allowance, parental allowance, and rehabilitation allowance were raised for the period from 1 August to 31 December 2022. Following the extra increase, the minimum amount of sickness, parental, and rehabilitation benefits was €30.71 per day from 1 August 2022, which equals €767.75 per month.

18. At the beginning of 2023, a 4.2% index increase was applied, after which the minimum amount of benefits became €31.99 per day.

19. In 2024 and 2025, no index increases were made due to the need to strengthen public finances as outlined above. The minimum amount of benefits in 2025 remained the same as in 2024 and 2023, *i.e.*, €31.99 per day, which is approximately €799.75 per month.

3.4 Family leave reform

20. A family leave reform (Government Proposal HE 129/2021) that reformed the parental allowance system under the Health Insurance Act (*sairausvakuutuslaki, sjukförsäkringslag*; 1224/2004) entered into force in August 2022 (28/2022). The reform resulted in developments including an increase in the number of parental allowance days and parental leave days and in flexibility in their use.

21. Following the reform, parental allowances are divided into the pregnancy allowance, special pregnancy allowance and parental allowance. The birthing parent can start their pregnancy leave 14–30 working days before the expected due date of the baby and is paid pregnancy allowance for 40 working days.

22. Following the reform, parental leave days are, as a general rule, divided fifty-fifty between the parents. Each parent receives a quota of 160 parental allowance days, of which a maximum of 63 days may be transferred to the other parent. In a single-parent family, the parent can use all 320 days of parental allowance themselves. Of these, they may transfer a maximum of 126 days to another person. Parental leave does not need to be taken as a period of consecutive days. Instead, it may be divided into separate periods. Employees have the right to take 1–4 periods of parental leave per calendar year, lasting for at least 12 working days at a time, unless otherwise agreed with their employer.

23. Parents who are employed are subject to the provisions of the Employment Contracts Act (*työsuojelulaki, arbetsavtalslag; 55/2001*) concerning family leave. The most essential changes made to the Employment Contracts Act relate to, among other things, the names of family leaves and periods in which parental leave can be taken. Parental leave can be taken in more than one period. In addition, in the future, the employer will be obliged to justify in writing if they refuse to take part-time parental leave.

24. The reform resulted in the abolishment of a condition set for the partial parental allowance regarding the simultaneous partial parental leave of both parents, and single parents also received the right to take partial parental leave. Mothers and fathers use partial parental allowance approximately as much, but on the whole partial parental allowance is not used very much. In 2024, only 3% of parents used parental leaves on a part-time basis.

25. The family leave reform has already generated desired results, as fathers whose children were born after the reform have used a larger share of their parental leave days. The days used by fathers accounted for 11.1% of the total of parental leave days in 2021, while the corresponding share in 2024 was 20.9%. Fathers whose children were born in late 2022 used just over 20% of the total days, whereas fathers of children born before the reform used around 12% of the days. In addition, just over 70% of fathers used more parental leave than the period of 18 days that the parents can take at the same time. Prior to the reform, the corresponding share was less than 60%.⁵

26. Even though the family leave reform significantly increased the use of leaves by fathers, in the majority of families the father or the other parent has, however, transferred all of the transferrable days to the mother. Only 4% of parents divided their parental allowance days exactly fifty-fifty. In 2021–2024, the number of parental allowance days used by mothers decreased by around 1.5 million days, whereas the number of days used by fathers increased by around 1.3 million days (Social Insurance Institution of Finland (Kela) statistics).

27. Parental allowances are determined on the basis of the annual income of the insured person, that is, on the basis of their income for the 12 calendar months preceding the calendar month when their right to the benefit begins. In situations on which further provisions are laid down in the Health Insurance Act, the allowance may exceptionally be based on income for the three calendar months preceding the calendar month when the right to the benefit begins, converted into annual income. The annual income takes into account the insured person's pay, benefits and compensation for loss of income and, for entrepreneurs, their confirmed earned income. If the insured person does not have income considered in the annual income or the income is low, the parental allowance is always paid at least at the minimum rate (€31.99 per working day in 2025).

28. The family leave reform, which entered into force on 1 August 2022, supports equality in working life and the progress of wage equality, and in the long term it will reduce especially the career breaks of mothers, discrimination related to parenthood and family leave, and the negative wage effects of long-term leave over time. The reform of family leave is monitored at national, and also at EU level, to the extent that the reform implements the so-called Work-Life Balance Directive.

3.5 Parental allowance at an increased rate

29. In conjunction with the family leave reform, the determination of parental allowance was changed so that, in addition to pregnancy allowance, some of the parental allowance days are paid at an increased rate for both parents. Previously, increased parental allowance was only paid for mothers. Parental allowance is paid at an increased rate for the first 16 days, and the maximum allowance corresponds to 90% of annual income. After that, parental allowance is up to 70% of annual income. The change improves the compensation of pay costs incurred by employers of fathers.

⁵ Family leave reform increased the use of parental leaves by fathers – new opportunities for flexibility are still used only to a limited extent (Perhevapaauudistus lisäsi isien vanhempainvapaiden käyttöä – uusia joustomahdollisuuksia kuitenkin käytetään vain vähän) (available only in Finnish), Social Insurance Institution of Finland (Kela), <https://tietotarjotin.fi/uutinen/1210598/perhevapaauudistus-lisasi-isien-vanhempainvapaiden-kaytto-uusia-joustomahdollisuuksia-kuitenkin-kaytetaan-vain-vahan> and Kela statistics.

3.6 Level of basic unemployment allowance and labour market subsidy

30. At the beginning of 2022, following the index adjustment, the amount of the basic unemployment allowance and labour market subsidy increased to €34.50 per day. In addition, due to the extra index increase applied to social security benefits in 2022, the labour market subsidy and basic unemployment allowance rose by about €26 per month. From 1 August to 31 December 2022, the amount of the basic unemployment allowance and labour market subsidy was €35.72 per day, which equals approximately €768 per month. At the beginning of 2023, an index increase was applied, bringing the amount to €37.21 per day, or €800.02 per month.

31. No increases were made to the basic unemployment allowance or to the labour market subsidy in 2024 or 2025. Their amount therefore remains the same as in 2023: €37.21 per day, which is €800.02 per month.

32. Child increases for unemployment benefits have been discontinued as of 1 April 2024. As of 1 January 2025, no additional component will be paid for periods of participation in employment-promoting services. However, participation in such services still entitles to a reimbursement of expenses (€9 per weekday or €18 per weekday).

33. In this context it should be noted that in the Finnish social security system earnings-related unemployment allowance substitutes wages from previous employment and is administered by unemployment funds. At the end of 2024, there were 1 932 055 members in unemployment funds.

3.7 Level of guarantee pension

34. At the beginning of 2022, the full amount of the guarantee pension increased to €855.48 per month. In 2022, the additional index increase for social security benefits raised the full amount of the guarantee pension to €885.63 per month. From the beginning of 2023, the full amount of the guarantee pension was increased to €922.42 per month. The level of the guarantee pension in 2024 was increased to €976.59 per month and in 2025 to €986.30 per month.

3.8 Basic social allowance

Basic Social Assistance as a Benefit

35. Social assistance is a last-resort, means-tested financial support for individuals or families, covering essential basic living expenses. It is intended as a short-term benefit.

36. Social assistance is divided into basic social assistance paid by the Social Insurance Institution of Finland (Kela) and supplementary and preventive social assistance paid by wellbeing services counties. The implementation of basic social assistance was transferred from municipalities to Kela at the beginning of 2017.

37. Basic social assistance is a household-based benefit. A household includes the applicant and their spouse living at the same address, as well as any minor children. The amount of basic social assistance is based on the difference between the household's income and expenses.

38. All household members' net incomes are taken into account, with some exceptions. Household assets are also generally considered as income.

39. Expenses accepted in the basic social assistance are divided into (1) the basic amount and (2) other essential expenses. Everyday expenses are covered by a fixed sum called the basic amount. Each family member has their own basic amount. In 2024, for example, the basic amount for a person living alone was €587.71 per month, and for a person aged 18 or older living with their parents €429.03 per month. In addition, reasonable housing costs, childcare expenses, and healthcare costs are accepted as expenses and covered by the second part of the basic social

assistance intended for the other essential expenses, which has not been taken into account in the assessment by the ECSR.

40. After the transfer to the Social Insurance Institution of Finland (Kela), basic social assistance has in practice become a strongly rights-based benefit, similar to housing allowance. In Finland, social assistance is often a so-called “topped-up” benefit, meaning it is paid on top of primary benefits that the applicant is required to apply for before receiving social assistance.⁶

Level of the basic social assistance

41. At the beginning of 2024, the basic amount of social assistance was increased by about 5.9%, and at the beginning of 2025 by about 1.0%, based on the national pension index. In 2025, the maximum basic amount for a single person is €593.55 per month, and for a single parent €676.65 per month.

42. On 1 April 2024, a tightening of the rules on housing costs accepted in social assistance came into effect. From April onwards, the Social Insurance Institution of Finland (Kela) can approve housing costs exceeding the municipality-specific maximum limits only on special grounds. These maximum limits apply after three months of support. In addition, the temporary 10% increase in children’s basic amounts granted for 2023 ended, which caused the basic amounts for children to decrease in 2024 despite the index adjustment.

43. It is important to note that in Finland, social assistance often compensates for the low level of primary benefits, and a significant portion of social assistance covers housing costs.

44. In 2024, Kela paid a total of €825 million in basic social assistance. The largest share (47.9%) of the payments consisted of expenses included in the basic amount of social assistance, totaling €395 million. Housing costs accounted for €357 million, or 43.2% of all basic social assistance paid.

4. STATISTICS

45. The Committee of Ministers recommended considering ways and means of collecting information to demonstrate how the Finnish social protection system through its combination of different types of benefits, in cash and in kind, is able to ensure a decent living standard (as measured in relation to median equivalised income) for all beneficiaries whatever their individual circumstances (family status, housing situation, etc.). The Government notes that as an initial step some elaborations can be made with reference to the receipt of housing allowance together with minimum rate social security benefits. The following statistics are provided by the Social Insurance Institution of Finland (Kela) and reflect the latest statistics from 2024. Further development of collecting data and providing information for the purpose of demonstrating the level of social security benefits is under consideration. The statistics do not show situations where a person might be entitled to housing allowance but has not applied for it. Low-income households would also have the right to social assistance, which was not possible to include yet in the below information.

4.1 Housing allowance

46. In December 2024, 382,000 households were paid a general housing allowance⁷, which means that approximately 600,000 persons were living in these households from a population of 5,600,000. 20% of persons living in these households were of the age group of 20-24-year-olds. 15% were of the age group of 25-29-year-olds. In December 2024, the majority of households receiving general housing allowance were either student households (35%) or unemployed households (37%). Employed households accounted for 16%. The most common household type

⁶ Key Features of the Finnish Minimum Income Protection System and the Level of Minimum Protection in International Comparison (Suomalaisen vähimmäisturvajärjestelmän erityispiirteet ja vähimmäisturvan taso kansainvälisesti vertailtuna), Finnish Institute for Health and Welfare, Working Paper 16/2019 (available only in Finnish), <https://www.julkari.fi/server/api/core/bitstreams/5999625a-42a3-4f57-a3b0-69b2f509e3f9/content>

⁷ Housing Allowance Statistics 2024 (available in Finnish and Swedish), Social Insurance Institution of Finland, <https://tilastojulkaisut.tietotarjotin.fi/asumistuki/2024/>

was people living alone (72%). The next largest group (21%) were families with children, totaling to about 79,000 households. Moreover, 202,400 pensioners were in receipt of the pensioners housing allowance.

4.2 Rehabilitation allowance

47. In 2024 on average, rehabilitation allowance was paid to 20,940 people per month, of whom 2,642 people, or 13%, received the minimum amount of rehabilitation allowance. Of those receiving the minimum amount, 61% were paid general housing allowance. For these recipients, the average housing allowance was €354 per month. The minimum rehabilitation allowance was €799.75 per month.

48. The average rehabilitation allowance paid per month was €954.25. Of all rehabilitation allowance recipients, 44% received general housing allowance.

4.3 Sickness allowance

49. In 2024, sickness allowance was paid to 305,600 persons.

50. The monthly average of sickness allowance recipients was 54,689, with an average benefit of €63 per day which would amount to €1,565 per month. The minimum rate was paid monthly to approximately 7,619 persons *i.e.* to 14%. From those who were in receipt of the minimum rate benefit, 4,082 persons *i.e.* 54% were also in receipt of the housing allowance, whereas from the total monthly average 20% were in receipt of housing allowance. The average housing allowance was €327 per month. Together the minimum rate benefit and the average housing allowance amounts to €1,127 per month.

4.4 Parental allowances

51. In 2024, 142,974 people received parental allowances.

52. The statistics for parental allowances are broken down by gender and presented in monthly averages, the statistics are gathered for the year 2024. 12,661 men per month were in receipt of a parental benefit, with an average benefit of €99.76 per day, which amounts to €2,494 per month. On monthly average 35,932 women were in receipt of a parental benefit with an average of €78.30 per day, which amounts to €1,982.25 per month. 6% of men and 16% of women received housing allowance in addition.

53. The minimum rate was paid to 611 men (5%) and 4,489 women (12%). From those persons who were in receipt of the minimum rate benefit 40% of men and 48% of women were in receipt of the housing allowance. The monthly average housing allowance was €425 per month for men and €494 per month for women. This would amount to €1,225 per month for men and €1,294 per month for women.

54. The families would also be in receipt of the child benefit: €94.88 for the first child, €104.84 for the second child, €133.79 for the third child, €173.24 for the fourth child, €192.69 for the fifth or more children (in 2024). As of 1 April 2024, an extra €26 per month is paid for children under 3 years.

4.5 Guarantee pension

55. In 2024, approximately 114,000 people were in receipt of guarantee pension in addition to their possible earnings-related pension and/or national pension. The average monthly amount of guarantee pension was €220 per month. Approximately 59% of persons who were in receipt of the guarantee pension were also receiving a housing allowance for pensioners, with an average monthly benefit of €345. The full amount of guarantee pension was paid monthly to approximately 448 persons, of whom 272 persons or 61% received housing allowance for pensioners, with an average monthly benefit of €380. This would amount to €1,356.59 per month in 2024 levels.

4.6 Unemployment benefits

56. At the end of 2024, there were a total of 334,068 recipients of unemployment benefits, which accounted for 9.9% of Finland's population aged 17–64. There were 122,512 recipients of earnings-related unemployment allowance (37%)⁸, 6,636 fewer than a year earlier. At the end of 2024, 33,760 (10%) people received the basic unemployment allowance, a decrease of 1,453 from the previous year. At the end of 2024, 176,133 (53%) people were in receipt of the labour market subsidy, which was 14,542 more than a year earlier.⁹

4.7 Combining basic unemployment allowance or labour market subsidy with basic social assistance and housing allowance¹⁰

57. In the following, both basic unemployment allowance and the labour market subsidy are referred to as unemployment benefits. In December 2024, 199,294 persons were in receipt of an unemployment benefit from the Social Insurance Institution of Finland (Kela), 16% of whom received the basic unemployment allowance and 84% labour market subsidy. 32% or 63,118 persons were receiving simultaneously all three benefits: unemployment benefit, housing allowance and basic social assistance. 27% or 53,742 persons received both housing allowance and an unemployment benefit from Kela. 2% or 4,423 were paid basic social assistance and an unemployment benefit. 39% or 78,011 were in receipt of an unemployment benefit only.

5. POLICY MEASURES AND FUTURE DEVELOPMENTS

5.1 Measures to monitor the adequacy of social protection

58. According to the Act on the National Pension Index (*laki kansaneläkeindeksistä, lag om folkpensionsindex*; 456/2001) the adequacy of basic social security must be assessed every four years. The Finnish Institute for Health and Welfare was commissioned by the Ministry of Social Affairs and Health to convene an assessment group in May 2022 to carry out the fourth assessment of the adequacy of Finland's basic social security for the years 2019 to 2023. In this context basic social security refers to the minimum level benefits that a person receives when unemployed, ill or disabled, during old age and parental leave as well as in connection with the loss of a guardian. Minimum social security level refers to the minimum subsistence level in a situation where a person is unable to earn the income required for a decent life. Social assistance is the prime instrument used to guarantee minimum income in such situations.

59. In the assessment group's report, it was, among other things, noted that in international comparisons, the level of basic and minimum social security in Finland is either very high or at least above average, depending on the family type and the life situation of the recipient. It should also be noted that basic social security benefits are not found in any other country as extensively as in Finland. A large proportion of basic social security recipients are also eligible for social assistance. In the case of basic social security recipients receiving social assistance, a higher level of basic security does not mean higher overall income because when basic social security benefits are increased, social assistance is reduced by the same amount. At the same time, however, the level of social assistance for families with children and especially the social assistance for single parents has been raised during the past government term.¹¹

⁸ Earnings related unemployment allowance is paid by the unemployment funds.

⁹ Statistical Yearbook on Unemployment Protection in Finland 2024, https://tilasto.julkaisut.tietotarjotin.fi/tyottomyyturva/2024/unemployment_protection.html

¹⁰ Statistics of the Social Insurance Institution of Finland (Kela), December 2025. Slight variation in numbers in relation to the earlier published statistics elaborated in the above paragraph. The statistics are updated regularly, which can lead to slight differences.

¹¹ Evaluation Report on the Adequacy of Basic Social Security 2019-2023 (Perusturvan riittävyden arviointiraportti 2019-2023), Finnish Institute for Health and Welfare, (available only in Finnish), <https://www.julkari.fi/items/daabb945-1d70-4a73-b487-3de553d88a68>

60. The Finnish Institute for Health and Welfare has also made a midterm assessment for the years 2023 to 2025. As noted above (see paragraph 10), Prime Minister Petteri Orpo's Government's goal of balancing public finances also requires direct spending cuts. By ensuring the sustainability of public finances, the Government aims to maintain the ability of public authorities to meet their obligations in the future. The Government has already implemented numerous changes to social security during its first two years in office. The most significant changes in 2024–2025 have targeted the general housing allowance and unemployment benefits, which have been reduced and made harder to qualify for. In addition, extensive index freezes have weakened the purchasing power of many benefits.

61. The income development of households receiving basic social security benefits in 2023–2025 depends largely on whether the household meets the eligibility criteria for social assistance. If a household receiving basic benefits is not entitled to social assistance – for example, due to assets – or does not apply for it for some reason, the cuts will significantly affect their income. Income has decreased for all example households receiving basic benefits, except for pensioners. The largest reductions have occurred in households receiving labour market subsidy or basic unemployment allowance where children live. This has been influenced not only by index freezes and housing allowance cuts but also by the removal of child supplements in unemployment security.

62. If a household is eligible for social assistance, the assistance compensates for the cuts in basic benefits and housing allowance either fully or partially. Social assistance has been adjusted annually for inflation, so its purchasing power has been maintained.¹²

63. The next statutory assessment will be made for the years 2024-2027.

5.2 Reform of the Social Security System

64. Social security will be reformed during the ongoing parliamentary term through government projects and the work of the Social Security Committee. The aim of the social security reform is to make the social security system smoother and simpler, with more incentives for work.

Reforming social security with a general social security benefit

65. In line with the Programme of Prime Minister Orpo's Government, the Government will implement a reform of basic income security to improve the profitability of work, streamline social security and simplify benefits, taking into account the recommendations and statements issued in the Social Security Committee's interim report.¹³

66. The reform aims to create a general social security benefit that would include a basic allowance for living costs, an allowance for housing costs, and a discretionary allowance as last-resort social security. This general social security benefit would taper as linearly as possible as income from work increases, making it easier for people to predict their earnings and increasing the incentives to take up work.

The Social Security Committee

67. The Social Security Committee's working term is two government terms (2020-2027).

68. The task of the Committee is to make proposals and initiatives on how to reform social security and carry out preliminary assessments and evaluations on the proposals. The Committee outlines the vision and principles for the future of social security. The Committee addresses questions related to basic social security, earnings-based benefits and social assistance, and examines the financing and connections between these forms of support. Attention will also be given to ways to better integrate services with benefits. The work will take into account the diversity of people's life situations

¹² Adequacy of Basic Social Security 2023-2025, Mid-term Evaluation of the Government Term (Perusturvan riittävyys 2023–2025, Hallituskauden väliarviointi), Finnish Institute for Health and Welfare, Working Paper 18/2025 (available only in Finnish) <https://www.julkari.fi/server/api/core/bitstreams/8a1ad193-d1e2-433d-bae7-292024c193a7/content>

¹³ Interim report (available in Finnish and Swedish) <https://julkaisut.valtioneuvosto.fi/items/f3e5d18d-f189-4561-85b0-3cd23bc6b7a1>

and changes in people's lives, and the transition from one benefit to another. The Committee will not discuss old-age pensions. The social security reform is being carried out in parts. Different parts may be completed and enter into force according to different timetables.

69. During its second term, the Social Security Committee will look into special considerations that should be taken into account in developing social security. It will also monitor the preparations for using a general benefit model (*yleistuki*) to reform social security. The Committee will examine combinations of social security benefits, the level of social security, whether benefits should be individual or family specific, and how well benefits and services respond to people's different life situations.

70. The Social Security Committee's interim report was published on 16 March 2023.¹⁴ The report includes 31 proposals for reforming social security under future governments and the policy guidelines for the Committee's work during its second term.

Accept, Sir, the assurance of my highest consideration.



Krista Oinonen

Agent of the Government of Finland
before the European Committee of Social Rights
Director, Unit for Human Rights Courts and Conventions

¹⁴ Press release of 16 March 2023 by the Ministry of Social Affairs and Health: Interim report of Social Security Committee now published – Committee proposes harmonization and combination of basic social security benefits, https://stm.fi/-/sosiaaliturvakomitean-valimietinto-julkaistu?languageld=en_US