

FINLAND 1999

1. Overview of the system

There exists a three-tier system of unemployment benefits: a basic benefit, an earnings related benefit and a means-tested benefit. The earnings related supplement is paid to insured people only; insurance is voluntary. Housing costs are covered through a separate income tested scheme. There is a social assistance scheme which guarantees a minimum income for every inhabitant of the country. The tax unit is the individual. The 1999 APW earnings level is FIM 146 400.

2. Unemployment insurance

The basic benefit and the earnings related benefit are for the purposes of this study classified as unemployment insurance. The follow-up benefit (Labour Market Support) is classified as unemployment assistance. The basic benefit is funded by the state and employees (share of employees' unemployment insurance contribution paid employees that are not members of unemployment funds). The earnings related scheme is funded by the state, employers, and employees.

2.1 *Conditions for receipt*

Payable to any registered unemployed person, who is between 17 and 64 years old, who is available for and actively seeking work.

2.1.1 *Employment conditions*

43 weeks of work (minimum of 18 hours per week) in the last 24 months.

2.1.2 *Contribution conditions*

Earnings-related benefit: 10 months of voluntary contribution to an insurance fund preceding the claim.

2.2 Calculation of benefit amount

2.2.1 Calculation of gross benefit

Basic benefit: FIM 121/day (5 days/week).

Earnings related benefit: 42 per cent of daily reference earnings (DRE) in excess of the basic benefit; plus 20 per cent of DRE in excess of FIM 506.51 ($90 * \text{basic benefit} / 21.5$).

In these calculations, the daily reference earnings are calculated as follows:

$M = \text{gross earnings in the reference year} / 12.5$ (monthly earnings are calculated here to exclude additional holiday pay included in the APW, hence the division by 12.5 instead of 12; note that in practice the 43 week period needed to fulfil the employment condition is usually used as reference period, excluding additional holiday pay).

$D = M / 21.5$ (21.5 working days/month)

$DRE = D * 95$ per cent (pension and unemployment insurance contributions are covered by a fixed payment set at 5 per cent by the Ministry of Social Affairs in order to avoid “over compensation” since these contributions are paid from wage and salary income). These contributions are not paid on benefit income.

The earnings related benefit is calculated from the basic benefit excluding the child supplement. The child supplement is then added to earnings related benefit.

Child supplement (total)	Rate (in FIM per day [*])
1 child	24
2 children	35
3 or more children	45

^{*} Monthly/yearly equivalents are obtained using 21.5 days per month, 12 months per year.

Note that if both parents are unemployed, both receive the basic/earnings related allowance and both receive the child supplement.

2.2.2 Income and earnings disregards

If an unemployed person begins to work part-time, he/she is entitled to receive (for a certain period) a so called adjusted unemployment benefit. The employee may also be entitled to adjusted unemployment benefit for some other reasons (e.g. if employer changes his/hers employment from full-time to part-time). The working hours may not exceed 75 per cent of the working hours of full-time work. The unemployment benefit is reduced by 50 per cent of gross income. The maximum amount of combined adjusted benefit (incl. child supplement) and income from part-time work may not exceed 90 per cent of reference earnings.

2.3 Tax treatment of benefit

Taxable, but social security contributions are reduced. Only the Sickness Insurance and the National Old Age Pension contributions are levied on the benefits.

2.4 *Benefit duration*

Paid for at most 500 days (5 days/week; 100 weeks) in any four-year period after a 7-day waiting period. If there are several separate spells of unemployment during 500 days period only one 7-day waiting period will be applied.

Note that 43 weeks of work during the 24-month period (minimum 18 hours a week) fulfils the employment condition for starting a new 500 days earnings-related period. The reference earnings are based on the most recent earnings fulfilling the employment conditions. However, the new earnings related benefit level must be at least 80 per cent of the previous benefit level

2.5 *Treatment of particular groups*

2.5.1 *Young persons*

None.

2.5.2 *Older workers*

Persons who become unemployed at the age of 55 years and one month are entitled to the benefit until the age of 60 (i.e. 57 years old unemployed persons who have not exhausted 500 day maximum period). After 60 they are usually entitled to an unemployment pension until they receive their old age pension at age 65.

3. **Unemployment assistance**

Labour Market Support (LMS) is aimed at promoting first time entrants and recipients' re-entry to the labour market.

3.1 *Conditions for receipt*

Payable to any registered unemployed person, who is between 17 and 64 years old, who is available for and actively seeking work.

3.2 *Calculation of benefit amount*

3.2.1 *Calculation of gross benefit*

The maximum Labour Market Support benefit is equal to the basic unemployment allowance (see Section 2.2.1), with the exception of the child supplements, which are lower (40 % of child benefits of basic unemployment allowance) .

Child supplement (total)	Rate/day
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1 Child	9.6 FIM/day
2 Children	14 FIM/day
3+ Children	18 FIM/day

3.2.2 *Income and earnings disregards*

The income test is suppressed:

- during the first 180 days for persons who have previously received the unemployment allowance for the maximum period allowed (500 days);
- for unemployment allowance recipients aged 55 or more;
- during any period in which the recipient participates in measures supporting his/her integration into the labour market that have been arranged by an employment authority.

The income-test is applied to the combined monthly gross income of the recipient and the partner; the latter's income is excluded until FIM 300/month. The disregarded amount equals FIM 5 040 per month for a couple or FIM 3 700 per month for a single plus FIM 630 per annum for each dependent child. The LMS benefit is reduced by 50 per cent of the gross income exceeding the disregard.

3.3 *Tax treatment of benefit*

Taxable, but social security contributions are reduced. Only the Sickness Insurance and the National Old Age Pension contributions are levied on the benefits.

3.4 *Benefit duration*

Unlimited. There is a five-day waiting period for all recipients of benefits. First-time entrants to the labour market must complete a 5-month waiting period (unless they have recently graduated from a vocationally oriented educational institute).

3.5 *Treatment of particular groups*

3.5.1 *Young persons*

First time entrants to the labour market who live with their parents only get 60 per cent of the benefit, unless they participate in a labour policy measure. Since 1997 new, tougher eligibility conditions have been applied to young persons. A person aged 17-24 may not decline a job or training offer or choose not to apply for vocational training.

3.5.2 *Older workers*

Means-testing for previous unemployment allowance recipients aged 55 or more has been suppressed.

4. **Social assistance**

Social assistance allowance is a residual social benefit which acts as a final safety-net. There are two nation-wide basic standard levels for different municipality categories; Category I (the most generous) is used.

4.1 *Conditions for receipt*

It is paid conditional on passing a means test. The need for social assistance is estimated each time case by case. To a person or a family that applies for social assistance a calculation is made of their income and expenditure entitling to social assistance. Expenditure that entitles to social assistance consists of a basic amount plus an additional amount to cover outgoings which are assessed separately. If this combined amount is higher than the family's net income, the difference is paid in the form of social assistance. The basic amount is designed to cover the costs of food, cloths, hygiene, transport, information (newspaper, telephone, TV licence) and minor, everyday health care costs. Also 7 percent of housing costs should be covered by the basic amount (ownrisk, deductible). Rest of the housing costs considered as reasonable are covered by additional allowance. Other expenditure items that are covered by additional allowance are children's day care fees and larger health care costs (pharmaceuticals, fees of health centres, doctors or dentists, cost of spectacles). Usually all income is included into the means test. Taxes are deducted from the gross income. Assets are also included into the means test. There is no asset threshold, but small part of the savings may be disregarded in order to enhance the self-sufficient living of families. Some assets are also excluded from the means test. These include housing if occupied by recipients, furniture, tools for work or studies etc. The possibility to realise property/assets should also be considered in the means test.

4.2 *Calculation of benefit amount*

4.2.1 *Calculation of gross benefit*

Basic amounts:

Family size	Rate (Category I) (in FIM per month)	Per cent of single rate
Single/Lone parent	2 047	100
Couple (per person)	1 740	85
Allowance per child		
Child over 18*	1 494	73
Child 10-17	1 433	70
Child under 10	1 290	63

* Children aged 18 or over, living with their parents constitute their own household when social assistance is calculated (separate means test).

If there are more than one child (0 – 17) in families the rates will be reduced. The rate of the second child will be 5 percentage points lower (e.g. 70 % -> 65 % or 63 % to 58 % of single rate) the rate of the third and subsequent child will be 10 percentage points lower (e.g. 70 -> 60 or 63 -> 53).

In addition to these basic amounts for “every day living costs”, additional social assistance is granted to cover reasonable housing costs or other costs (such as health care, work-related expenses). See above.

For the purpose of this study, SA is calculated as the basic amount plus 93% of the rent.

The municipalities can use their own discretion in setting the upper limit for reasonable housing costs in social assistance. Social assistance covers often higher housing costs than housing allowances (i.e. social assistance has higher maximum amount). In calculations it has been assumed that the housing costs do not exceed the upper limit of social assistance.

To calculate the final SA benefit amount, the procedure is comparing the net income from all other sources to this level. If it is above it there is no right to social assistance. If it is below the level then the actual social assistance that is payable is the difference between the social assistance level and the net income from all other sources (including regular housing benefits)

4.2.2 Income and earnings disregards

No disregards: all earnings from paid work and all social/family benefits included in this chapter reduce the maximum benefit. Some municipalities may disregard some earnings if they are considered to promote the independence of the recipient.

4.3 Tax treatment of benefit

Not taxable.

4.4 Benefit duration

As long as the means-test is satisfied.

4.5 Treatment of particular groups

4.5.1 Young persons

See Section 4.2.1.

4.5.2 *Older workers*

None.

5. **Housing benefits**

There are three income-tested schemes:

- a general housing allowance available to families, couples and single people of limited means;
- a housing allowance for pensioners (not considered);
- an allowance scheme for students (not considered).

5.1 *Conditions for receipt*

Income-tested.

5.2 *Calculation of benefit amount*

5.2.1 *Calculation of gross benefit*

The housing benefit is limited to certain income bands that vary with the number of persons in the household and with the geographical location. The general housing allowance is 80 per cent of the difference between the rent and a so-called “deductible amount”. The deductible amount is determined by the family type and the geographical location and increases (approximately)¹ linearly with gross income (without social benefits). The following rates are for the areas of Helsinki, Espoo, Kauniainen and Vantaa.

Number of persons in the household	Gross income (in FIM per month) where deductible amount = 0	Gross income where deductible amount increases with earnings	Deductible amount associated to increasing gross earnings	Gross income limit above which there is no housing benefit (in FIM per month)
1	0 - 2 900	2 901 - 7 400	80 - 1 805	7 401
2	0 - 3 300	3 301 - 10 100	80 - 2 769	10 101
3	0 - 4 200	4 201 - 13 500	80 - 3 592	13 501
4	0 - 5 000	5 001 - 15 100	80 - 4 176	15 101
5	0 - 6 100	6 101 - 18 300	80 - 4 889	18 301
6	0 - 7 200	7 201 - 20 500	80 - 5 346	20 501
7	0 - 8 300	8 301 - 22 600	80 - 5 841	22 601
8	0 - 9 200	9 201 - 24 600	80 - 6 305	24 601

1. In fact, the deductible amount increases by small steps. The linear approximation is used in these calculations

There are upper limits for the rents (housing costs) that are covered by the housing costs. In some areas this limits may in practice be below the market rate.

The calculation of maximum housing costs is rather complicated. There is a maximum area of the dwelling for each household size:

Persons	Max m ²	area,
	1	37
	2	57
	3	77
	4	90
	5	105
	6	115
	7	125
	8	135

Then there are limits for maximum housing costs per m². These limits depend on the municipality group, age and size of the dwelling and for some other criterion that are not important here. Below are the limits for the first municipality group in 1999.

I municipality group

The size of the dwelling	The age of the dwelling					
	...-1975	1976...80	1981...85	1986...89	1990...92	1993...
-35	46.00	46.90	48.90	51.80	54.40	55.80
36-45	40.60	41.80	44.30	48.20	51.10	52.90
46-60	38.30	39.20	41.50	45.70	49.20	51.10
61-80	35.60	37.20	40.10	43.80	46.90	48.50
81+	35.10	36.70	39.60	43.30	46.40	48.00

Example: The assumption concerning housing costs is that they are 20% of the APW for all family types. For Finland 1999 this is equivalent of housing cost of 2 440 per month (= 20% * 146 400 / 12). For single person living in 35m² dwelling in Helsinki, in a house which has been built in 1995, the maximum amount is 35 * 55.80 = 1 953, which is clearly below 2 440. Result: the costs above 1953 are ignored when the housing allowance is calculated.

For the purpose of this study the table below is used to calculate the maximum housing cost:

Maximum housing cost per month

Number of persons in the household	Maximum housing cost
1	35*55.80
2	55*51.1
3	75*48.5
4	85*48
5	100*48
6	110*48

5.2.2 *Income and earnings disregards*

There is a special 500 FIM per month disregard for lone parents with one child. Earnings and unemployment benefits are taken into the income-test; family benefits are disregarded. 15 per cent of the assets above certain thresholds are considered as income. This amount is divided by 12 to get monthly income. The thresholds vary with family size.

5.3 *Tax treatment of benefit*

Not taxable.

5.4 *Treatment of particular groups*

Students and pensioners have special housing allowances.

6. **Family benefits**

6.1 *Conditions for receipt*

To have a dependent child under 17 years old.

6.2 *Calculation of benefit amount*

6.2.1 *Calculation of gross benefit*

	Rate per child (from 1/7/1995) (in FIM per month)
1st child	535
2nd child	657
3rd child	779
4th child	901
5th and subsequent	1 023

6.2.2 *Income and earnings disregards*

Universal, not means-tested.

6.3 *Tax treatment of benefit*

Not taxable.

6.4 Treatment of particular groups

6.4.1 Lone parents

Additional allowance of FIM 200 per child per month.

7. Child-care benefits and public day-care

The fees for public day-care are related to the income level of the parents. These fees cover only a small part of the actual costs. Since 1.8.1997 all children under the school age have been entitled to public day care. At the same time the calculation of the day care fees were changed. There is also a separate benefit to those families with children under 3 years old that do not use public day care, known as the home care allowance. The calculation of day care fees is presented below.

7.1 Conditions for receipt

Public day care is available to all children under school age (7 years old). Even older children who for some specific reason (e.g. health) are exempt from school are entitled to public day care. The day care fees are income related; higher the family income, higher the fees. The fee is a portion (percentage value) of the family income exceeding the income limit. These limits and percentages are different for each family type. There is an additional income disregard (500 Fim/month) for other children aged 0-17 in the family.

7.2 Calculation of public day care fees and benefit amount

7.2.1 Calculation of public day care fees and gross benefit

All amounts in the following table are monthly:

The rules for public day care fees.

Family size (parents + children < 7, max 2)	Income limit, FIM per month	Per cent of income exceeding income limit
2	5 150	11.5 %
3	6 350	9.4%
4	7 540	7.9%

If there are more than two children in the same family in the public day care, the fees of the third and subsequent children are 20 per cent of the fee for the first child. The maximum fee is 1 000 FIM/child/month. If the day care fee amounts to less than 100 FIM, it is not paid.

For families with children under three years old who do not use public day care, there is a home care allowance, which includes a care allowance and a care supplement. The care allowance is

1 500 FIM per month for the first child under three years old, 500 FIM per month for other children under three years old and 300 FIM per month for children between three and six years old. Care supplement is means tested. The maximum amount is 1 000 FIM per month and it is payable for only one child. (This benefit is not included in our calculations: We assume public day care)

In addition to the home care allowance, there is also an alternative allowance for those who use private day care for children under 7 years old and do not receive home care allowance for any children in the family. This is the allowance for private day care. The rates and rules are somewhat different from home care allowance. This income is taxed as the income of the provider of the day care services.

7.2.2 Income and earnings disregards

Gross family income is taken into the income-test. E.g. child benefit and housing allowance are disregarded

7.3 Tax treatment of benefit

Home-care allowance is taxable income.

7.4 Benefit duration

As long as the conditions are satisfied.

7.5 Treatment of particular groups

None.

8. Employment-conditional benefits

None.

9. Lone-parent benefits

Lone parents receive an additional supplement to child benefit (200 Fim/child/month see Section 6). Also a child receives maintenance support when the person liable to pay maintenance payment neglects this duty. A child is entitled to maintenance support even when the paternity has not been confirmed. The maintenance support is FIM 637 per child per month. For others (e.g. remarried providers) it is FIM 518 per child per month. There is no means-test.

Note: Lone parents receive maintenance support (FIM 637 per child per month)

10. Tax system

It consists of a central government tax, a local government tax, a church tax, and social security contributions.

10.1 Personal Income Tax Systems

10.1.1. Central government income taxes

10.1.1.1. Tax unit

Spouses are taxed separately for earned income.

10.1.1.2. Standard tax allowances

10.1.1.2.1. Standard tax allowances

Work-related expenses: A standard deduction for work-related expenses equal to 3 per cent of the amount of wage or salary, with a maximum amount of FIM 2 100 is granted.

10.1.1.2.2. Main non-standard tax relief applicable to an APW

Interest: Interest can be deducted against capital income. Of the excess of interest over capital income 28 per cent can be credited against income tax up to a maximum of 8 000 FIM.

Membership fees: membership fees paid to employees' organisations or trade unions.

Travelling expenses: travelling expenses from the place of residence to the place of employment using the cheapest means of communication in excess of FIM 3 000 up to a maximum deduction of FIM 23 000.

Other work-related outlays: outlays for tools, professional literature, research equipment and scientific literature, and expenses incurred in scientific or artistic work (unless compensated by scholarships).

Travelling expenses and other work-related outlays are deductible only to the extent their total amount exceeds the amount of the standard deduction for work-related expenses.

10.1.1.3. Rate schedule

Taxable income (FIM)	Tax on lower limit (FIM)	Tax on excess income in bracket (%)
47 000 - 63 000	50	5.5

63 000 - 80 000	930	15.5
80 000 - 112 000	3 565	19.5
112 000 - 176 000	9 805	25.5
176 000 - 312 000	26 125	31.5
312 000 - and over	68 965	38

10.1.2. Local income tax

10.1.2.1. Tax base and tax rates

The tax base of the local income tax is taxable income as established for the income tax levied by central government.

Municipal tax is levied at flat rates. In 1999, the tax rate varied between 16 and 19.75 per cent, the average rate being approximately 17.63 per cent.

Municipal tax is not deductible against central government taxes. Work-related expenses and other non-standard deductions are deductible, as for purposes of the central government income tax.

Tax calculations in previous editions of this report included the church tax which is imposed on the income of individuals who are members of the State Church (about 83 per cent of the population). The tax base and allowances of the church tax are identical to those of the municipal income tax. In 1999 the weighted average rate of the church tax was approximately 1.28 per cent. After 1993, Finland no longer includes receipts from its church tax in the annual data submitted for the OECD *Revenue Statistics*.² To enhance the consistency of the *Taxing Wages* and *Revenue Statistics* reports, it has been decided that the church tax will no longer be taken into account for the calculations in this report.

10.1.2.2. Allowances in municipal income taxation:

An earned income allowance is calculated on the basis of taxpayer's chargeable wages and salary. The allowance amounts to 20 per cent of income exceeding FIM 15 000, to a maximum of FIM 8 600. The amount of the allowance is reduced by 3 per cent of the income exceeding FIM 75 000.

A basic allowance is granted on the basis of taxable income remaining when all other allowances have been subtracted. The maximum amount, FIM 8 800, is reduced by 20 per cent of the income exceeding FIM 8 800.

2. See OECD, *Revenue Statistics* 1965 – 1999 (Paris, 2000), p. 31.

10.2. Compulsory Social Security Contributions to Schemes Operated within the Government Sector

10.2.1. Employees' contributions

10.2.1.1. Rate and ceiling

In 1999, the rate of the sickness insurance contribution paid by an employee was 1.50 per cent.—The tax base for the sickness insurance contribution is the taxable income after tax allowances for municipal income tax purposes. In 1999 there was higher sickness insurance contribution rate for pension income (3.9 per cent).

In addition there was an employees' pension insurance contribution which amounts to 4.7 per cent of gross salary and an employees' unemployment insurance contribution equal to 1.35 per cent of gross salary. These two taxes are deductible in income taxation.

10.2.1.2. Distinction by marital status or sex

The rates do not differ.

10.2.2. Employers' contributions

The average rate of the employers' social security contribution in 1999 was 26 per cent of gross wage.

10.3. Universal Cash Transfers

10.3.1. Amount for marriage

None.

10.3.2. Amount for children

The central government paid in 1999 the following allowances (FIM):

For the first child	6 420
For the second child	7 884
For the third child	9 340
For the fourth child	10 812
Fifth and subsequent child	12 276

The child subsidy for a single parent is increased by an annual amount of FIM 2 400.

10.4. Main Changes in the Tax/Benefit System Since 1998

In January 1999 central government income tax brackets were adjusted by 2 per cent and all marginal tax rates except the highest one were lowered by 0.5 percentage point. The maximum amount of the earned income allowance was increased from FIM 5 500 to FIM 8 600. The maximum amount of the standard deduction for work-related expenses was increased by FIM 300 (from FIM 1 800 to FIM 2 100). The maximum deduction from travelling expenses was increased by FIM 3 000 (from FIM 20 000 to FIM 23 000). The sickness insurance contribution for taxable income over FIM 80 000 was removed. The rate of the employees' unemployment insurance contribution was decreased from 1.4 to 1.35 per cent.

11. Part-time work

11.1 Special benefit rules for part-time work

See 2.2.2.

Children younger than 3 give entitlement to Home Care Allowance if the parent is working less than 30 hours per week. The allowance amounts to FIM 375 per month.

11.2 Special tax and social security contribution rules for part-time work

None.

12. Policy developments

12.1 Policy changes introduced in the last year

Changes in taxation and social security contributions. The earned income allowance in municipal taxation has been increased. The additional sickness insurance contribution from pension income has been decreased.

In January 2000 the maximum fee of public day care was increased to 1 100 FIM/child/month.

Labour Market Support: Since September 2000 the disregard of spouses income has been 1 400 FIM/month (previously 300 FIM).

12.2 Policy changes announced³

In January 2002 the child supplement of Labour Market Support will be increased. It will equal the child supplements of basic unemployment benefit and earnings related benefit.

In March 2002 both Labour Market support and basic unemployment benefit will be increased. This will also influence earnings related benefit. The first percentage rate of earnings related part will also be increased to 45 per cent.

In 2002 the maximum housing costs covered by housing allowance will be increased.

Social assistance: Since April 2002 20 per cent of earnings up to the maximum amount 100 € (/month/family) will be excluded from the income-testing. The law will be in force until 31.3.2005.

In January 2002 the public day care fees will be revised. The maximum amount of first child will be increased. The income limits will be increased.

³ The changes of benefit rules presented here may not have been ratified and their reading in Parliament may be unfinished.

FINLAND

**The annual tax/benefit position of an unemployed single person
1999**

(in markkaa)

	Unemployment insurance: 100 weeks	Labour Market Support: from the 100th week	Social assistance
A. Taxable benefits			
Means-tested benefits			
Labour Market Support		31 218	
Non-means tested benefits			
Unemployment insurance	73 559		
Total taxable benefits	73 559	31 218	0
B. Income tax and social security contributions			
State income tax allowances	0	0	
State taxable income (after allowances)	73 559	31 218	
State income tax	2 566	0	
Local income tax allowance	0	4 316	
Local taxable income (after allowances)	73 559	26 902	
Local and church taxes	12 969	4 743	
Social security contributions	1 103	404	
Total income tax and social security contributions	16 639	5 146	0
C. Non-taxable benefits			
Means-tested benefits			
Social assistance	0	0	33 046
Housing benefits	6 095	18 749	18 749
Non-means tested benefits			
Total non-taxable benefits	6 095	18 749	51 795
D. Net income out of work (A-B+C)	63 015	44 821	51 795
E. Net income in work	97 097	97 097	97 097
F. Net replacement rate (D/E) (per cent)	65	46	53

FINLAND

The annual tax/benefit position of an unemployed married couple with two children (6 and 4 years old)

1999

(in markkaa)

	Unemployment insurance: 100 ⁽¹⁾ weeks	Labour Market Support: from the 100th ⁽¹⁾ week	Social assistance
A. Taxable benefits			
Means-tested benefits			
Labour Market Support		34 830	
Non-means tested benefits			
Unemployment insurance	82 589		
Total taxable benefits	82 589	34 830	0
B. Income tax and social security contributions			
State income tax allowances	0	0	
State taxable income	82 589	34 830	
State income tax	4 070	0	
Local income tax allowance	0	3 594	
Local taxable income	82 589	31 236	
Local and church taxes	14 560	5 507	
Social security contributions	1 239	468	
Total income tax and social security contributions	19 869	5 975	0
C. Non-taxable benefits			
Means-tested benefits			
Social assistance	0	0	60 984
Housing benefits	15 327	23 424	23 424
Non-means tested benefits			
Family benefits	14 304	14 304	14 304
Total non-taxable benefits	29 631	37 728	98 712
D. Net income out of work (A-B+C)	92 351	66 583	98 712
E. Net income in work	111 401	111 401	111 401
F. Net replacement rate (D/E) (per cent)	83	58	89

(1) As usual in these models, the spouse is not looking for work and therefore has no UI or UA benefits.

FINLAND

The annual tax/benefit position of an unemployed lone (in markkaa)

	Unemployment insurance: 100 weeks	Labour Market Support: from the 100th week	Social assistance
A. Taxable benefits			
Means-tested benefits			
Labour Market Support		34 830	
Non-means tested benefits			
Unemployment insurance	82 589		
Total taxable benefits	82 589	34 830	0
B. Income tax and social security contributions			
State income tax allowances	0	0	
State taxable income	82 589	34 830	
State income tax	4 070	0	
Local income tax allowance	0	3 594	
Local taxable income	82 589	31 236	
Local and church taxes	14 560	5 507	
Social security contributions	1 239	469	
Total income tax and social security contributions	19 869	5 975	0
C. Non-taxable benefits			
Means-tested benefits			
Social assistance	0	0	23 702
Housing benefits	17 731	23 424	23 424
Non-means tested benefits			
Family benefits	19 104	19 104	19 104
Maintenance support for lone parents	15 288	15 288	15 288
Total non-taxable benefits	52 123	57 816	81 518
D. Net income out of work (A-B+C)	114 843	86 671	81 518
E. Net income in work	131 489	131 489	131 489
F. Net replacement rate (D/E) (per cent)	87	66	62