
FINLAND 2007

1. Overview of the tax-benefit system

There exists a three-tier system of unemployment benefits: a basic benefit, 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.

1.1. *Average worker wage (AW)*

The 2007 AW earnings level is EUR 34 656¹.

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 full-time work. Since 2005 also employees aged 65 to 67 are entitled to allowance during lay-offs (only employees, not for entrepreneurs).

2.1.1 *Employment conditions*

43 weeks of work (minimum of 18 hours per week) in the last 28 (since 2003, still 24 months in the qualification condition for re-entry, see "return condition" below 2.4.) months.

¹ AW refers to the Average Wage estimated by the Centre for Tax Policy and Administration (www.oecd.org/ctp). For more information on methodology see Taxing Wages 2005-2006, OECD, 2007, part 5, sections 2 and 3.

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: EUR 23.91/day (5 days /week).

Earnings related benefit: Basic benefit; plus 45 per cent of daily reference earnings (DRE) in excess of the basic benefit until EUR 100.09; plus 20 per cent of DRE in excess of EUR 100.09 ($100.09 = 90 * \text{basic benefit} / 21.5$);).

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)

$DRE = D * 95.12$ per cent (pension and unemployment insurance contributions are covered by a fixed payment set at 4.88 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 EUR per day*)
1 child	4.53
2 children	6.65
3 or more children	8.58

* 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.

The earnings-related allowance can be a maximum of 90 per cent of the daily wage, but at least equal to the basic allowance plus any child increases (applies also to previous years, no change in rules, only addition to text).

2.2.2 *Income and earnings disregards*

If an unemployed person begins to work part-time (including irregular work with reduced working time and full-time employment for a period not exceeding two weeks), the person is entitled to receive 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 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 (including child supplement) and income from part-time work may not exceed 90 per cent of reference earnings (100 per cent for those receiving increased earnings related allowance or allowance including re-employment supplement, see 2.5 below). Adjusted unemployment allowance can be paid for up to 36 months. Maximum provision is not applied to persons who are 59 years old or older before the 36 month maximum provision is reached (57 years if person has been born 1949 or before) (since 1.12.2003). Person is entitled to adjusted unemployment benefit even after 36 month maximum period if the entitlement is based on full-time employment for a period not exceeding two weeks (applies also to 2001-2003). Calculation of the 36 month maximum payment period is started from the beginning if the person has been in full-time employment without interruption for a minimum of six months or, after the maximum payment period, has become re-eligible under the relevant employment condition (renewal condition, see 2.4) (applies also to 2001-2003). NOTE: Due to transitional provisions 36 month maximum provision has not been applied since 1994 (situation in October 2007 transition period extended to 31.12.2007 and will be probably extended further).

2.3 Tax treatment of benefit

Taxable, but of social security contributions only the Health Insurance contribution is levied on the benefits.

2.4 Benefit duration

Paid for at most 500 days (5 days /week; 100 weeks) after a 7-day waiting period (see also 2.5.2). If there are several separate spells of unemployment during 500 days period only one 7-day waiting period will be applied.

Note that since 1.1.2003 34 weeks (previously 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 (so called "return condition"). 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 if the employment condition is fulfilled before the 500 days maximum period is exhausted.

2.5 Treatment of particular groups

2.5.1 Young persons

None.

2.5.2 Older workers or workers with long careers

An unemployment allowance can also be paid after the 500-day maximum period for older workers ("additional days rule"). As a part of an extensive pension reform the unemployment pension scheme will be gradually abolished. Therefore also "additional days rule" has been changed as from 1 January 2003; accordingly, the rules differ to persons born prior to 1950 and those born after that date (reflecting the age limits of transitional provision of unemployment pension).

Persons born prior to 1950: The old rule is observed for a person who reaches the age of 57 before the 500-day maximum period has accrued. In addition to the 500 days, the person receives an allowance up to the end of the month during which he/she reaches the age of 60. Thereafter the person can apply for an unemployment pension (not covered here).

Persons born in 1950 or thereafter: A person born in 1950 or thereafter can be paid an allowance up to the end of the month when he/she reaches the age of 65 if the person has reached the age of 59 before the 500 days have accrued. In addition, it is required that the person has been in employment with pension entitlement for at least five years during the past 20 years. Note that due to age limits these rules will not be applied before 2009.

Since 1.1.2005 persons receiving allowance after 500 days (i.e. receiving additional days) are entitled to choose old age pension at the age of 62 (pension reduced due to early retirement, pensions schemes not covered here). Those who have chosen old age pension are not entitled to unemployment benefits.

The so called redundancy pay system was discontinued at the end of 2002. Persons becoming unemployed as from 1 January 2003 can be paid an increased earnings-related allowance instead of redundancy pay.

Eligibility for an increased earnings-related allowance:

- an employment relationship that is in effect for the time being is terminated for economic and production-related reasons
- the claimant has been a member of an unemployment fund for five years
- the claimant has been in employment with pension entitlement for at least 20 years

Amount of an increased earnings-related allowance

- The increased earnings-related allowance is 55 per cent (normally 45 per cent) of the difference between daily wages (DRE) and the basic allowance. If daily wages (DRE) exceeds upper income limit ($90 * \text{basic benefit} / 21.5$) the increased earnings-related allowance declines to 32.5 per cent (normally 20 per cent) for the part in excess. I.e. the difference in compensation formula are these two percentages (formula: see 2.2.1 above)
- The rule in determining a normal earnings-related unemployment allowance, which says that the earnings-related allowance can be a maximum of 90 per cent of daily wages, does not apply to an increased earnings-related allowance. The increased allowance can be a maximum of the full daily wage (DRE) but nevertheless equal to the basic allowance plus any child increases

An increased earnings-related allowance can be paid for 150 days. The period of unemployment need not continue without interruption, but there may be periods of employment in between. If there are so many periods of employment that a new employment condition is fulfilled, the days entitling to an increased earnings-related allowance are paid from the unemployment allowance calculated on the basis of the new wage or salary income.

Since 1.7.2005 also recipients of basic allowance may be entitled to increased allowance. The increase is EUR 4.11 per day (5 days per week). The eligibility criteria for an increased basic allowance:

- an employment relationship that is in effect for the time being is terminated for economic and production-related reasons
- the claimant has been in employment with pension entitlement for at least 20 years

2.5.3 *Entrepreneurs*

Unemployment benefits are also payable to entrepreneurs fulfilling conditions for receipt (including conditions for discontinuation of business activity). As with employees entrepreneurs have to members of unemployment funds in order to be entitled to earnings related benefit. There are separate unemployment funds for entrepreneurs. The earnings related scheme for entrepreneurs is funded by the state and insured (entrepreneurs).

2.5.4 *Other groups*

Since 1.7.2005 unemployed persons whose employment contract has been terminated for production-related or economic reasons and who fulfil other qualifying conditions are entitled to re-employment programme supplement to the unemployment benefit. The conditions for receiving a re-employment programme supplement are that: a re-employment programme has been drawn up, the job seeker has been in employment for at least three years (as stated in the conditions for qualifying for the re-employment programme); the job seeker has fulfilled the employment condition under the Employment Security Act (see 2.1.1 and 2.4). Re-employment programme supplement can be paid for voluntary job-seeking, a work try-out, training connected with job-seeking and adult education within active labour market policy programmes to a total maximum of 185 days within a maximum period of 500 days (the period can contain a maximum of 20 days of voluntary job-seeking). The earnings-related allowance including re-employment supplement is calculated using higher replacement rates than normally: 65 percent instead of 45 percent and 37.5 percent instead of 20 percent (compare 2.2.1). As with increased earnings related allowance (see 2.5.2) the allowance including re-employment supplement can be a maximum of the full daily wage (DRE) In basic benefit the re-employment supplement is EUR 4.11 per day (5 days per week). Note that with very low earnings the re-employment supplement of earnings-related allowance may thus be smaller than in the basic allowance.

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. Since 2005 also persons aged 65 to 67 are entitled to allowance during lay-offs.

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; since 2002 the child supplements are the same as well).

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, who at the time they became employed satisfied the employment condition (43 weeks of employment during preceding 28 (since 2003) months).
- 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 EUR 536 per month. The disregarded amount equals EUR 848 per month for a couples and lone-parents or EUR 253 per month for a single plus EUR 106 per month for each dependent child. The LMS benefit is reduced by 50 per cent of the gross income exceeding the disregard, e.g. child allowance, home care allowance, maintenance support and housing allowance are disregarded from the income test. For single person the LMS benefit is reduced by 75 per cent of the gross income exceeding the disregard.

Example of an unemployed person with spouse (earnings EUR 1 736/month) and two dependent children:

Spouse's income in income-test	$1\,736 - 536 = \text{EUR } 1\,200$ /month
Disregard	$848 + 2 \cdot 106 = \text{EUR } 1\,060$ /month
Income exceeding disregard	$1\,200 - 1\,060 = \text{EUR } 140$ /month
Reduction of LMS	$50\% \cdot 140 = \text{EUR } 70$ /month = EUR 70/21.5 per day = EUR 3.26 /day

Example of for a single person with additional income EUR 500 / month (e.g. capital income):

Disregard	EUR 253 /month
Income exceeding disregard	$500 - 253 = \text{EUR } 247$ /month
Reduction of LMS	$75\% \cdot 247 = \text{EUR } 172.9$ /month = EUR 172.9/21.5 per day = EUR 8.04 /day

If a recipient of LMS begins to work part-time (including irregular work with reduced working time), the LMS recipient is also entitled to the adjusted LMS. The rules are same as in earnings related unemployment benefit (see section 2.2.2). Note that both the income-test of adjusted benefit due to earnings from part-time work and the usual income-test above are carried out. First the amount of LMS

after usual income-test is calculated as in the above examples. Then, the calculated amount of LMS is reduced by earnings from part-time work according to rules of adjusted LMS. Earnings from part-time work are not included in the income-test.

3.3 Tax treatment of benefit

Taxable, but of social security contributions only the Health Insurance 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

Partial labour market support: For first time entrants to the labour market who live with their parents the labour market is reduced. Since 1.7.2003 the reduction depend on income of parents. If parental income exceeds EUR 1781 per month, the labour market subsidy payable is reduced by 50% of the excess. However, partial labour market support is at least 50 per cent of the amount that recipient would have received without any reduction due to parents income (e.g. at least 50 per cent of the amount that recipient would have received after adjustment for own income from part-time work). The EUR 1781 disregard is increased by EUR 106 per month for each dependent child that parents have (aged 0-17).

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 (see section 3.2.2.).

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. For 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 gives entitlement 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, clothes, hygiene, transport, information (newspaper, telephone, TV licence) and minor, everyday health care costs. Also

7 per cent of housing costs should be covered by the basic amount (own risk, deductible). Rest of the housing costs considered as reasonable are covered by additional allowance. 7 per cent deductible was abolished 1.9.2006. After this reasonable housing costs are covered fully by additional allowance. Other expenditure items that are covered by additional allowance are home insurance, home electricity, (applies also to previous years, only clarification) children's day care fees and larger health care costs (pharmaceuticals, fees of health centres, doctors or dentists, cost of spectacles).

Since 2006 expenses entitling to additional allowance are divided to "other basic expenses" (not covered by basic amount) and to expenses entitling to "supplementary social assistance" The "other basic expenses" include housing costs, home insurance, home electricity and larger health care costs. Expenses entitling to "supplementary social assistance" include e.g. children's day care fees. This division is mainly for funding of social assistance. The central government grant to municipalities is 50 per cent of the expenditure on basic expenses of social assistance (i.e. basic amount + "other basic expenses"). "Supplementary social assistance" is covered by general central government grants to municipalities for social and health care. These general grants are calculatory and are not based on actual expenditure of individual municipality.

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 a small part of 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 EUR per month)	Per cent of single rate
Single/Lone parent	389.37	100
Couple (per person)	330.96	85
Allowance per child		
Child over 18*	284.24	73
Child 10-17	272.56	70
Child under 10	245.30	63

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

If there is 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 per cent or 63 → 58 per cent 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 "everyday living costs", additional social assistance is granted to cover reasonable housing costs or other costs (such as health care, work-related expenses). See above.

The amount of social assistance may be reduced by 20 per cent if person refuses to accept a work offer or do not participate in training or certain other activating measures. If refusal is recurrent social assistance may be reduced by 40 per cent. If social assistance is reduced authorities must, if possible, in co-operation with the recipient, to devise a plan to enhance “self-sufficient living of the recipient”. (Applies also to previous years, no change in rules, only addition to text).

For the purpose of this study, SA is calculated as the basic amount plus the rent (until 31.8.2006 the basic amount plus 93 per cent 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).

Social assistance can be paid to supplement (top-up) other benefits and other income sources (e.g wage and salary). Most of the recipient households of social assistance have other income sources which social assistance “tops-up”. One typical top-up case is single long-term unemployed receiving labour market support (net of taxes), housing allowance and social assistance

4.2.2 Income and earnings disregards

Social assistance: Since April 2005 is 20 per cent of net earnings up to the maximum amount EUR 150 (/month /family) will be excluded from the income-testing. The law will be in force until 31 December 2008. Otherwise no disregards: All earnings from paid work and all social/family benefits included in this chapter reduce the maximum benefit. Municipalities may disregard some earnings if they are considered to promote the independence of the recipient.

Following cash benefits are disregarded from income-testing:

Disability allowance

Child disability allowance

Pensioner’s care allowance

Maternity grant

Maintenance allowance paid during the labour market training, rehabilitation or rehabilitating work experience. Maintenance allowance is paid as a reimbursement for the extra meal, travel and accommodation expenses incurred in the training or rehabilitation.

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.

Eligibility for the housing allowance is reviewed once a year. Special eligibility reviews are conducted in the following events:

- the household's regular monthly income increases by €300 (€160 in 2002-2004) or decreases by €160 a month or more, or monthly housing costs change by €50 or more)
- the household moves
- the number of household members changes
- ownership of the dwelling changes
- a subtenant moves in or out
- a member of the household becomes eligible for the student's housing supplement or becomes ineligible for the general housing allowance
- a member of the household becomes eligible for the pensioners' housing allowance.
- The special review is conducted at the beginning of the month following a change in circumstances. The regular annual review will then be conducted one year after the special review.

Since 1.3.2006 the income test (income review) due to an increase in income has been suppressed for three months for re-employed persons who have been receiving labour market support or basic unemployment allowance continuously for 12 months or more.

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 with small steps as gross income increases (there are several income brackets for each family type and area). The incomes are rounded to the nearest full euro before the income test. The 2007 deductible amounts for Helsinki (I municipality group since 2002) and Espoo, Kauniainen and Vantaa (together II municipality group since 2002) are presented in appendix 1.

There are upper limits for the rents (housing costs) that are covered by the housing costs. In some areas these 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	Maximum area, m ²
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 Helsinki (first municipality group since 2002).

Maximum housing costs per m2 in 2007, Helsinki (I municipality group)

Size of dwelling, m2	Age of dwelling		
	-1985	1986-95	1996-
-25,9	11,89	12,72	13,22
26-30,9	11,05	11,87	12,38
31-35,9	10,21	11,03	11,54
36-45,9	9,44	10,55	11,05
46-60,9	8,97	10,24	10,75
61-80,9	8,73	9,81	10,31

81-	8,65	9,72	10,23
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Example: the assumption concerning housing costs is that they are 20 per cent of the APW for all family types. For Finland 2007 this is equivalent of housing cost of EUR xxx.xx per month (= 20% * xx xxx/ 12). For a single person living in a 35m² dwelling in Helsinki, in a house which was built in 2000, the maximum amount is 35 * 11.54 = EUR 403.90, which is clearly below EUR 552.83. Result: the costs above 398.30 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*11.54
2	55* 10.75
3	75*10.31
4	85* 10.23
5	100* 10.23
6	110* 10.23

5.2.2 Income and earnings disregards

There is a special EUR 90 per month disregard for lone parents with one child. If there are more than eight person in a household EUR 260 is deducted from the monthly gross income for each person above eight person (applies also to previous years, no change in rules, only addition to text). Earnings, unemployment benefits and home care allowance are taken into the income-test; child allowance and maintenance support 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.

5.5 Eligibility review (addition; applies also to previous years)

Eligibility for the housing allowance is reviewed once a year. Special eligibility reviews are conducted in the following events:

- the household's regular monthly income increases by €300 (€160 in 2002-2004) or decreases by €160 a month or more, or monthly housing costs change by €50 or more)

- the household moves
- the number of household members changes
- ownership of the dwelling changes
- a subtenant moves in or out
- a member of the household becomes eligible for the student's housing supplement or becomes ineligible for the general housing allowance
- a member of the household becomes eligible for the pensioners' housing allowance.
- The special review is conducted at the beginning of the month following a change in circumstances. The regular annual review will then be conducted one year after the special review.

Since 1.3.2006 the income test (income review) due to an increase in income has been suppressed for three months for re-employed persons who have been receiving labour market support or basic unemployment allowance continuously for 12 months or more.

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*

Rates of child allowance	
	Rate per child (in EUR per month)
1st child	100.00
2nd child	110.50
3rd child	131.00
4th child	151.50
5th and subsequent	172.00

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 *Young persons*

6.4.2 *Older workers*

6.4.3 *Others if applicable*

Lone parents: Additional allowance of EUR 36.60 per child per month.

7. **Childcare for pre-school children**

Parents can choose to place their child in a day-care centre run by the municipality, look after the child themselves with the help of the child home care allowance, or choose the private day care allowance and arrange for child care privately. Public day care is available to all children under school age (7 years old) after the parenthood period of parents. Even older children who for some specific reason (e.g. health) are exempt from school are entitled to public day care.

Child care arrangements vary considerably according to the age of the child (see appendix 2). Nearly half of all children under school age are in day care, whereas children under one are almost exclusively cared for at home. Forty-four percent of two-year-olds are in day care, while over 60 percent of children over three are in day care. Majority of children in day care use municipal day care (municipal day care centre or municipal family day care). The demand for day care for six-year-olds has diminished as almost

all six-year-olds attend pre-school. Even those children who attend pre-school are entitled to part-time day care.

Day care fees cover only a small part of the total costs of municipal day care (about 15% in year 2004).

7.1 *Out-of-pocket childcare fees paid by parents*

The public day care fees are income related; the higher the family income, the higher the fee. The fee is a portion (percentage value) of the family income exceeding the income limit until the maximum amount is reached. These limits and percentages are different for each family type (3 different size categories). When the family type is determined only children entitled to day care are included with maximum of two children (i.e. children under school age after the parenthood period of parents irrespective of their actual use of day care). If there are other children aged 0-17 than those who have been included when the family size is determined, EUR 89 /month /additional child will be deducted from the gross income before income-test.

Example 1: A couple with 2, 4, 6 and 10 year-old children, family size is 4 (2 adults + max 2 children entitled to day care) so there will be 2 * EUR 89 deduction from the gross income before income-test.

Example 2: A single parent with 4 and 8 year-old children, family size is 2 (1 adult + 1 child entitled to day care) so there will be 1 * EUR 89 deduction from the gross income before income-test

All the amounts in the following table are monthly:

The grounds for public day care fees

Family size (parents + children<7*, max 2)	Income limit (in EUR per month)	Per cent of income exceeding income limit
2	918	11.5
3	1 132	9.4
4	1 344	7.9

* See text above for precise definition

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 for the first (the youngest) child is EUR 200 /child /month. For the second child the maximum fee is EUR 180 /child /month. If the day care fee of a child amounts to less than EUR 18 it is not paid.

Example: A couple with three children all in day care. Gross income EUR 4217.81 /month. Family type is 4 => $(4217.81 - 89 - 1344) * 7.9\% = 220$. Fee for the first child : $\min(220, 200) = 200$ €/month. Fee for the second child: $\min(220, 180) = 180$ €/month. Fee for third child: $20\% * 200 = 40$ €/month

If the child is in the day care for five hours or less per day then the day care is classified as part-time care and fees should be adjusted accordingly. There are no strict rules for this, but 60 percent of the fee for the full-time care is the current estimate of the average adjustment. The fee for the third and subsequent child are calculated in relation to the full-time equivalent fee of the first child even if the first child only uses part-time care.

Income definition in the income-test of the day care: All income (gross) except certain benefits and grants. Of the benefits that are disregarded child allowance, home care allowance, housing allowance and social assistance are relevant here. If family pays maintenance payment to other household this is deducted from the income. Note that both maintenance support and received maintenance payment are included in income.

7.2 *Child-care benefits*

7.2.1 *Conditions for receipt*

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. In addition to the home care allowance, there is private day care 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.

7.2.2 *Calculation of benefit amount*

The home care allowance is EUR 294.28 per month for the first child under three years old, EUR 94.09 per month for other children under three years old (since 1.4.2007 94.09 €) and EUR 50.46 (i.e. under school age, since 1.4.2007 60,46 €) per month for children between three and six years old (i.e. under school age). Home care supplement is income-tested. The maximum amount is EUR 168.19 per month and it is payable for only one child. The family definition is the same as in public day care (income limits and reduction rate see table below). The home care supplement decreases as the income exceeding income limit increases. There is no similar income disregard for additional children as with day care fees. Otherwise the definition of income is similar with day care fees with same benefits disregarded.

The home care allowance supplement

Family size (parents + children < 7, max 2)	Income limit (in EUR per month)	Reduction of care supplement, per cent of income exceeding income limit
2	1 160	11.5
3	1 430	9.4
4	1 700	7.9

The rates and rules of private day care allowance are somewhat different from home care allowance. The private day care allowance consists of a basic allowance and an income-tested supplement, which both are paid for each eligible child. The basic allowance is EUR 137.33 /child /month and the supplement is EUR 134.55 /child /month. Note that unlike in home care allowance the supplement is paid for each child entitled to private day care allowance. The income criteria and limits are the same as those that apply to home care allowance care supplement. The allowance is paid at 50 per cent of its normal rate if the child is in pre-primary education organized by the local authorities or starts school at age 6. The private day care allowance is paid directly to service provider and is also taxed as the income of the service

provider. The allowance is not paid if a relative or some other individual looks after the child without a formal employment contract or charges no fee for his/her services. However, if the child is under three years old, the parents can apply for child home care allowance.

Some municipalities, especially in the metropolitan area, pay additional supplements to home care and private day care allowances. The rates and eligibility rules vary.

7.2.2 Income and earnings disregards

In home care allowance and private day care allowance there are no similar income disregards for additional children as with day care fees. Otherwise the definition of income is similar with day care fees with same benefits disregarded.

7.3 Tax treatment of benefit and interaction with other benefits

Home-care allowance is taxable income. The private day care allowance is taxed as the income of the provider of the day care services. If the recipient of home care allowance is not personally taking care of the child and the spouse receives unemployment benefit the home care allowance is deducted from the unemployment benefit. If the recipient of home care allowance is personally taking care of the child the allowance is not deducted from the spouses unemployment benefit.

7.4 Benefit duration

As long as the conditions are satisfied.

7.5 Treatment of particular groups

See 11 for partial care allowance.

The care of a disabled or chronically ill child can involve additional expense and often requires families to make special arrangements. To support care at home, eligible children who are aged 16 or less and live in Finland are entitled to child disability allowance. The allowance is paid without regard to the parents' or the child's income or assets. It is free from tax and payable at three rates depending on the need of care and rehabilitation and the economic burden related to this (Applies also to 2001, 2002 and 2003). In to 2007 the rates were EUR 79.83, 186.28 and 361.21 month.

Special care allowance is payable to parents who take part in treatment or rehabilitation arranged for their child. Special care allowance is generally payable only for maximum of 60 days for per child in a calendar year. (Applies also to 2001, 2002 and 2003)

8. Employment-conditional benefits

Low income earners in Finland are eligible for an earned income allowance. See section 10.1.2.

9. Lone-parent benefits

Lone parents receive an additional supplement to child allowance (EUR 36.60 /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 EUR 129.91 /child /month in 2007. Since 1999 the rate has been the same also for remarried providers. There is no means-test. The maintenance support is not taxable.

Note: Lone parents receive maintenance support (EUR 129.91 /child /month).

10. Tax system

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

10.1 Personal Income Tax Systems

10.1.1. Central government income taxes

Tax unit

Spouses are taxed separately for earned income.

Standard tax allowances

Standard tax allowances.

- Work-related expenses: a standard deduction for work-related expenses equal to the amount of wage or salary, with a maximum amount of EUR 620 is granted.

Rate schedule

Central government income tax.

Taxable income (EUR)	Tax on lower limit (EUR)	Tax on excess income in bracket (%)
12 400-20 400	8	9,0
20 400-33 400	728	19,5
33 400-60 800	3 263	24,0
60 800 and more	9 839	32,0

Tax credit

An earned income tax credit is granted against the central government income tax. The credit is calculated on the basis of taxpayers' income from work. The credit amounts to 3.6 per cent of income exceeding EUR 2 500, until it reaches its maximum of EUR 400. The amount of the credit is reduced by 0.9 per cent of the earned income minus work related expenses exceeding EUR 33 000. The credit is fully phased out when taxpayers' income is about EUR 78 000.

If the amount of credit is higher than central government income tax the rest of the credit can be credited against local income tax, church tax and health insurance contribution for medical care insurance.

10.1.2. Local income tax

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 2007 the tax rate varies between 16.00 and 21.00 per cent, the average rate being approximately 18.46 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.

Allowances in municipal income taxation

- An earned income allowance is calculated on the basis of taxpayer's income from work. The allowance amounts to 49 per cent of income between EUR 2 500 and EUR 7 230, and 26 per cent of the income exceeding EUR 7 230, until it reaches its maximum of EUR 3 250. The amount of the allowance is reduced by 4 per cent of the earned income minus work related expenses exceeding EUR 14 000.
- A basic allowance is granted on the basis of taxable income remaining after the other allowances have been subtracted. The maximum amount, EUR 1 480, is reduced by 20 per cent of the income exceeding EUR 1 480.

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

10.2.1. Employees' contributions

Rate and ceiling

The financing of the National Health Insurance underwent a major change on 1 January 2006 with the splitting up of the scheme into two components: earned income insurance and medical care insurance.

The contribution base of the earned income contribution for health insurance (for daily allowance) is gross earnings. In 2007 the rate is 0.75 per cent of gross wage (different rules for entrepreneurial income). This contribution is deductible in taxation (cf. employees' pension insurance and unemployment insurance contributions below).

The tax base for the health insurance contribution for medical care insurance is net taxable income for municipal income tax purposes. In 2007, the rate of the health insurance contribution for medical care insurance is 1.28 per cent. There is additional 0.17 per cent contribution for those incomes that earned income contribution for health insurance is not payable (e.g. pensions, daily allowances). The income base for additional contribution is the difference between taxable income for municipal income tax purposes and earnings for earned income contribution for health insurance (i.e. gross wage here). If earnings for earned income contribution for health insurance are higher than taxable income for municipal income tax purposes then there is no additional contribution.

There are also an employees' pension insurance contribution and an employees' unemployment insurance contribution. Employees' pension insurance contribution which amounts to 4.30 per cent of gross salary for those who are under 53 years old (- 52) and 5.40 per cent for those who are 53 years old or more (53+). Employees' unemployment insurance contribution equals to 0.58 per cent of gross salary. These contributions are deductible for income tax purposes.

11. Part-time work

11.1 *Special benefit rules for part-time work*

See section 2.2.2 (adjusted unemployment benefit).

Children younger than 3 give entitlement to partial Care Allowance if the parent is working less than 30 hours per week while looking after their child. The allowance amounts to EUR 70.00 per month. The partial allowance is taxable income. Since 1.8.2004 also parents of first- and second-graders (usually 7-8 years old) are entitled to partial Care Allowance.

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

None.

12. Policy developments

12.1 *Policy changes introduced during the previous year*

In January 2007 the central government tax brackets were adjusted by about two per cent. The second income class was abolished, and in addition the lower limit of the fourth income class in the schedule was raised by EUR 1 400. The third central government marginal tax rate was lowered by 1 percentage point, and the fourth marginal tax rate was lowered by 0.5 percentage points.

The maximum amount of the earned income tax credit in central government taxation was raised from EUR 157 to EUR 400. The maximum amount of the earned income tax allowance in municipal taxation was lowered from EUR 3 850 to EUR 3 250.

The rate of the employees' health insurance contribution for medical care was lowered from 1.33 to 1.28 per cent and the rate of the employees' health insurance contribution for daily allowance was lowered from 0.77 to 0.75 per cent.

12.2 Policy changes announced²

The municipality cost-of-living classification (group I or II) of certain cash benefits will be abolished from 1.1.2008. This will affect e.g. national pension (basic pension) and social assistance. The rates in current municipality group II will be increased to the level of group I.

Lone parents additional child allowance will be increased to EUR 46.60 per child per month (1.1.2008).

National pension (not covered) will be increased (1.1.2008).

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

Appendix 1. Housing Allowances Deductibles

The 2007 deductible amounts of housing allowance for Helsinki (I municipality group) and Espoo, Kauniainen and Vantaa (together II municipality group)

Upper limit of the income bracket, EUR/month	Household size							
	1	2	3	4	5	6	7 8+	
525	0	0	0	0	0	0	0	0
540	13	0	0	0	0	0	0	0
555	26	0	0	0	0	0	0	0
570	36	0	0	0	0	0	0	0
585	46	0	0	0	0	0	0	0
600	52	13	0	0	0	0	0	0
615	58	24	0	0	0	0	0	0
630	64	35	0	0	0	0	0	0
645	69	40	0	0	0	0	0	0
660	75	45	0	0	0	0	0	0
675	81	51	0	0	0	0	0	0
690	86	56	0	0	0	0	0	0
705	92	61	0	0	0	0	0	0
720	98	67	0	0	0	0	0	0
735	104	72	0	0	0	0	0	0
750	109	77	13	0	0	0	0	0
765	115	83	23	0	0	0	0	0
780	121	88	33	0	0	0	0	0
795	126	94	38	0	0	0	0	0
810	132	99	42	0	0	0	0	0
825	138	104	47	0	0	0	0	0
840	144	110	52	0	0	0	0	0
855	149	115	56	0	0	0	0	0
870	155	120	61	13	0	0	0	0
885	161	126	66	22	0	0	0	0
900	167	131	70	27	0	0	0	0
915	172	137	75	31	0	0	0	0
930	178	142	80	36	0	0	0	0
945	184	148	84	40	0	0	0	0
960	189	153	89	45	0	0	0	0
975	195	159	94	50	0	0	0	0
990	201	164	98	54	0	0	0	0
1005	207	170	103	59	0	0	0	0
1020	212	176	108	63	0	0	0	0
1035	218	181	113	68	0	0	0	0
1050	224	187	117	72	13	0	0	0
1065	229	193	122	77	22	0	0	0
1080	235	198	127	81	26	0	0	0
1095	241	204	131	86	30	0	0	0
1110	247	210	136	91	35	0	0	0

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1125		252	216	141	95	39	0	0	0
1140		258	221	145	100	43	0	0	0
1155		264	227	150	104	48	0	0	0
1170		269	233	155	109	52	0	0	0
1185		275	239	159	113	56	0	0	0
1200		281	244	164	118	61	0	0	0
1215		287	250	169	122	65	0	0	0
1230		292	256	174	127	69	0	0	0
1245		298	262	179	132	74	0	0	0
1260	no HA	268	184	136	78	13	0	0	0
1275	no HA	273	189	141	82	24	0	0	0
1290	no HA	279	194	145	87	28	0	0	0
1305	no HA	285	200	150	91	32	0	0	0
1320	no HA	291	205	154	95	36	0	0	0
1335	no HA	297	210	160	100	41	0	0	0
1350	no HA	303	215	165	104	45	0	0	0
1365	no HA	309	220	170	108	49	0	0	0
1380	no HA	315	225	176	113	53	0	0	0
1395	no HA	321	231	181	117	57	0	0	0
1410	no HA	327	236	186	121	61	0	0	0
1425	no HA	333	242	192	126	66	0	0	0
1440	no HA	338	248	197	130	70	13	0	0
1455	no HA	345	253	202	134	74	21	0	0
1470	no HA	352	259	208	139	78	30	0	0
1485	no HA	358	265	213	143	82	34	0	0
1500	no HA	365	270	219	147	86	38	0	0
1515	no HA	372	276	224	152	91	42	0	0
1530	no HA	378	282	230	156	95	46	0	0
1545	no HA	385	288	235	161	99	50	0	0
1560	no HA	392	294	241	166	103	54	0	0
1575	no HA	399	299	246	171	107	58	13	0
1590	no HA	406	305	252	175	111	62	21	0
1605	no HA	413	311	257	180	116	66	25	0
1620	no HA	419	317	263	185	120	70	29	0
1635	no HA	426	323	269	190	124	74	33	0
1650	no HA	433	329	274	195	128	78	37	0
1665	no HA	440	335	280	200	132	82	41	0
1680	no HA	447	341	286	205	136	86	45	0
1695	no HA	454	347	292	210	140	90	48	0
1710	no HA	461	353	298	216	145	94	53	0
1725	no HA	468	359	304	221	149	98	57	0
1740	no HA	no HA	365	311	226	153	102	61	0
1755	no HA	no HA	371	317	231	157	106	65	0
1770	no HA	no HA	377	323	236	161	110	69	0
1785	no HA	no HA	383	330	241	165	114	73	0
1800	no HA	no HA	390	336	246	170	118	77	0
1815	no HA	no HA	396	343	252	174	122	80	0

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1830	no HA	no HA	402	349	257	178	126	84
1845	no HA	no HA	408	356	263	183	130	88
1860	no HA	no HA	414	362	269	188	134	92
1875	no HA	no HA	421	369	275	193	138	96
1890	no HA	no HA	427	376	280	198	142	100
1905	no HA	no HA	433	382	286	202	146	104
1920	no HA	no HA	440	389	292	207	150	108
1935	no HA	no HA	446	396	298	212	154	112
1950	no HA	no HA	452	403	303	217	158	116
1965	no HA	no HA	459	410	309	222	162	119
1980	no HA	no HA	465	416	315	227	166	124
1995	no HA	no HA	472	423	321	232	170	128
2010	no HA	no HA	478	430	327	237	174	132
2025	no HA	no HA	485	437	333	242	178	136
2040	no HA	no HA	491	444	339	247	182	140
2055	no HA	no HA	498	451	345	252	186	143
2070	no HA	no HA	504	458	351	257	191	147
2085	no HA	no HA	511	465	357	262	195	151
2100	no HA	no HA	517	472	363	268	199	154
2115	no HA	no HA	524	479	369	274	204	159
2130	no HA	no HA	531	487	375	279	208	163
2145	no HA	no HA	537	494	382	285	213	167
2160	no HA	no HA	544	501	388	291	217	171
2175	no HA	no HA	551	508	394	297	222	175
2190	no HA	no HA	558	516	400	303	226	179
2205	no HA	no HA	564	523	407	308	230	183
2220	no HA	no HA	571	530	413	314	235	187
2235	no HA	no HA	578	538	419	320	239	191
2250	no HA	no HA	585	545	425	326	244	194
2265	no HA	no HA	592	553	432	332	249	198
2280	no HA	no HA	599	560	438	338	253	203
2295	no HA	no HA	605	568	445	344	259	207
2310	no HA	no HA	no HA	575	451	350	264	212
2325	no HA	no HA	no HA	583	457	356	270	217
2340	no HA	no HA	no HA	590	464	362	276	221
2355	no HA	no HA	no HA	598	470	369	282	226
2370	no HA	no HA	no HA	606	477	375	287	230
2385	no HA	no HA	no HA	613	483	381	293	234
2400	no HA	no HA	no HA	621	490	387	299	239
2415	no HA	no HA	no HA	629	497	393	305	244
2430	no HA	no HA	no HA	637	503	400	311	249
2445	no HA	no HA	no HA	644	510	406	317	254
2460	no HA	no HA	no HA	652	517	412	323	258
2475	no HA	no HA	no HA	660	523	418	329	263
2490	no HA	no HA	no HA	668	530	425	335	268
2505	no HA	no HA	no HA	676	537	431	341	273
2520	no HA	no HA	no HA	684	543	438	347	276

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2535	no HA	no HA	no HA	692	550	444	353	282
2550	no HA	no HA	no HA	700	557	451	359	288
2565	no HA	no HA	no HA	708	564	457	365	294
2580	no HA	no HA	no HA	no HA	571	464	372	300
2595	no HA	no HA	no HA	no HA	578	470	378	306
2610	no HA	no HA	no HA	no HA	585	477	384	312
2625	no HA	no HA	no HA	no HA	591	483	390	318
2640	no HA	no HA	no HA	no HA	598	490	397	324
2655	no HA	no HA	no HA	no HA	605	496	403	328
2670	no HA	no HA	no HA	no HA	612	503	409	335
2685	no HA	no HA	no HA	no HA	619	510	416	342
2700	no HA	no HA	no HA	no HA	626	517	422	348
2715	no HA	no HA	no HA	no HA	634	523	429	354
2730	no HA	no HA	no HA	no HA	641	530	435	360
2745	no HA	no HA	no HA	no HA	648	537	442	366
2760	no HA	no HA	no HA	no HA	655	544	448	372
2775	no HA	no HA	no HA	no HA	662	551	455	379
2790	no HA	no HA	no HA	no HA	669	557	461	385
2805	no HA	no HA	no HA	no HA	676	564	468	390
2820	no HA	no HA	no HA	no HA	684	571	474	397
2835	no HA	no HA	no HA	no HA	691	578	481	404
2850	no HA	no HA	no HA	no HA	698	585	488	410
2865	no HA	no HA	no HA	no HA	706	592	495	416
2880	no HA	no HA	no HA	no HA	713	599	501	423
2895	no HA	no HA	no HA	no HA	720	606	508	429
2910	no HA	no HA	no HA	no HA	728	613	515	435
2925	no HA	no HA	no HA	no HA	735	621	522	442
2940	no HA	no HA	no HA	no HA	743	628	529	447
2955	no HA	no HA	no HA	no HA	750	635	535	454
2970	no HA	no HA	no HA	no HA	758	642	542	462
2985	no HA	no HA	no HA	no HA	765	649	549	468
3000	no HA	no HA	no HA	no HA	773	656	556	475
3015	no HA	no HA	no HA	no HA	780	664	563	481
3030	no HA	no HA	no HA	no HA	788	671	570	488
3045	no HA	no HA	no HA	no HA	795	678	577	495
3060	no HA	no HA	no HA	no HA	803	686	584	501
3075	no HA	no HA	no HA	no HA	811	693	592	507
3090	no HA	no HA	no HA	no HA	818	700	599	514
3105	no HA	no HA	no HA	no HA	826	708	606	522
3120	no HA	no HA	no HA	no HA	no HA	715	613	528
3135	no HA	no HA	no HA	no HA	no HA	723	620	535
3150	no HA	no HA	no HA	no HA	no HA	730	627	542
3165	no HA	no HA	no HA	no HA	no HA	738	635	549
3180	no HA	no HA	no HA	no HA	no HA	745	642	556
3195	no HA	no HA	no HA	no HA	no HA	753	649	563
3210	no HA	no HA	no HA	no HA	no HA	760	657	568
3225	no HA	no HA	no HA	no HA	no HA	768	664	576

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3240	no HA	no HA	no HA	no HA	no HA	776	672	584
3255	no HA	no HA	no HA	no HA	no HA	783	679	591
3270	no HA	no HA	no HA	no HA	no HA	791	686	598
3285	no HA	no HA	no HA	no HA	no HA	799	694	605
3300	no HA	no HA	no HA	no HA	no HA	807	701	612
3315	no HA	no HA	no HA	no HA	no HA	814	709	619
3330	no HA	no HA	no HA	no HA	no HA	822	717	627
3345	no HA	no HA	no HA	no HA	no HA	830	724	634
3360	no HA	no HA	no HA	no HA	no HA	838	732	640
3375	no HA	no HA	no HA	no HA	no HA	846	739	648
3390	no HA	no HA	no HA	no HA	no HA	854	747	656
3405	no HA	no HA	no HA	no HA	no HA	862	755	663
3420	no HA	no HA	no HA	no HA	no HA	870	763	670
3435	no HA	no HA	no HA	no HA	no HA	878	770	678
3450	no HA	no HA	no HA	no HA	no HA	886	778	685
3465	no HA	no HA	no HA	no HA	no HA	894	786	693
3480	no HA	no HA	no HA	no HA	no HA	no HA	794	700
3495	no HA	no HA	no HA	no HA	no HA	no HA	802	706
3510	no HA	no HA	no HA	no HA	no HA	no HA	810	715
3525	no HA	no HA	no HA	no HA	no HA	no HA	818	723
3540	no HA	no HA	no HA	no HA	no HA	no HA	826	730
3555	no HA	no HA	no HA	no HA	no HA	no HA	834	738
3570	no HA	no HA	no HA	no HA	no HA	no HA	842	745
3585	no HA	no HA	no HA	no HA	no HA	no HA	850	753
3600	no HA	no HA	no HA	no HA	no HA	no HA	858	761
3615	no HA	no HA	no HA	no HA	no HA	no HA	866	768
3630	no HA	no HA	no HA	no HA	no HA	no HA	874	774
3645	no HA	no HA	no HA	no HA	no HA	no HA	882	783
3660	no HA	no HA	no HA	no HA	no HA	no HA	890	792
3675	no HA	no HA	no HA	no HA	no HA	no HA	899	799
3690	no HA	no HA	no HA	no HA	no HA	no HA	907	807
3705	no HA	no HA	no HA	no HA	no HA	no HA	915	815
3720	no HA	no HA	no HA	no HA	no HA	no HA	923	823
3735	no HA	no HA	no HA	no HA	no HA	no HA	932	831
3750	no HA	no HA	no HA	no HA	no HA	no HA	940	839
3765	no HA	no HA	no HA	no HA	no HA	no HA	948	845
3780	no HA	no HA	no HA	no HA	no HA	no HA	957	854
3795	no HA	no HA	no HA	no HA	no HA	no HA	965	863
3810	no HA	no HA	no HA	no HA	no HA	no HA	974	871
3825	no HA	no HA	no HA	no HA	no HA	no HA	982	879
3840	no HA	no HA	no HA	no HA	no HA	no HA	no HA	887
3855	no HA	no HA	no HA	no HA	no HA	no HA	no HA	895
3870	no HA	no HA	no HA	no HA	no HA	no HA	no HA	903
3885	no HA	no HA	no HA	no HA	no HA	no HA	no HA	912
3900	no HA	no HA	no HA	no HA	no HA	no HA	no HA	920
3915	no HA	no HA	no HA	no HA	no HA	no HA	no HA	927
3930	no HA	no HA	no HA	no HA	no HA	no HA	no HA	936

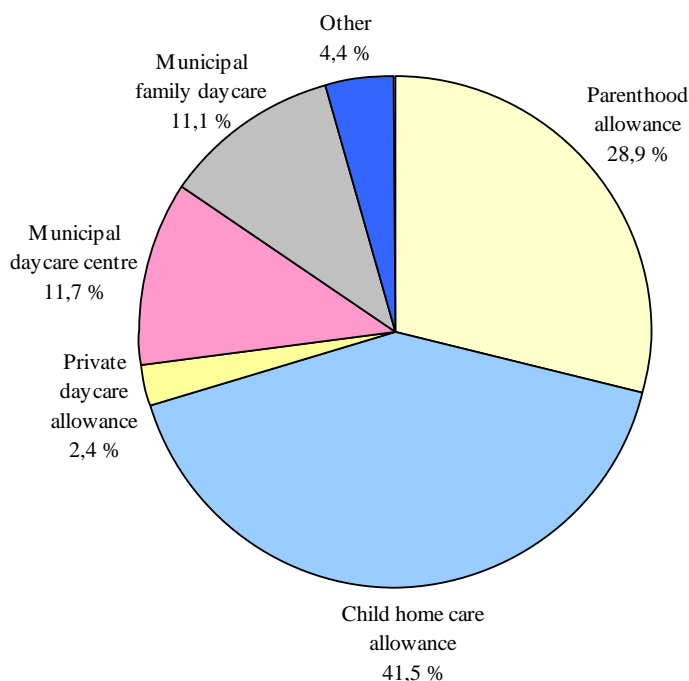
OECD - Social Policy Division - Directorate of Employment, Labour and Social Affairs

Country chapter - Benefits and Wages (www.oecd.org/els/social/workincentives)

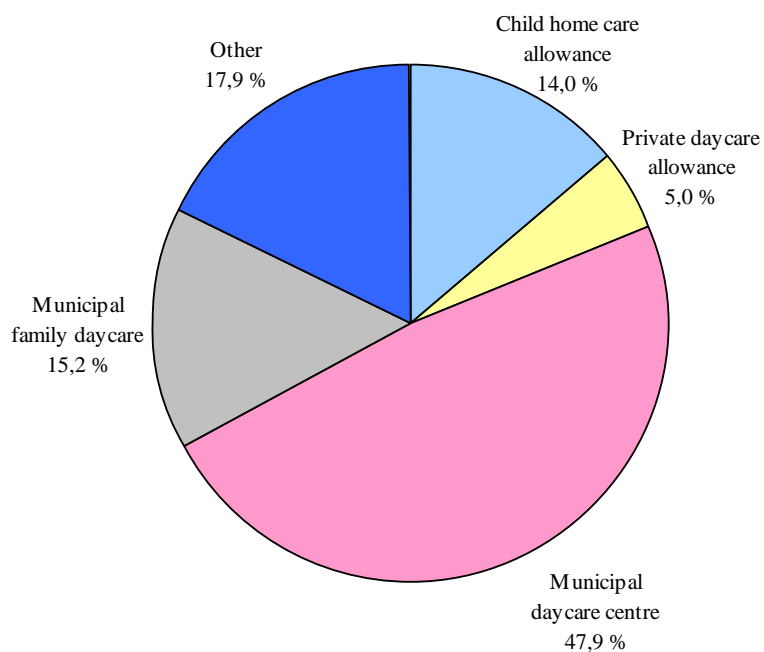
3945	no HA	no HA	no HA	no HA	no HA	no HA	no HA	945
3960	no HA	no HA	no HA	no HA	no HA	no HA	no HA	953
3975	no HA	no HA	no HA	no HA	no HA	no HA	no HA	961
3990	no HA	no HA	no HA	no HA	no HA	no HA	no HA	970
4005	no HA	no HA	no HA	no HA	no HA	no HA	no HA	978
4020	no HA	no HA	no HA	no HA	no HA	no HA	no HA	986
4035	no HA	no HA	no HA	no HA	no HA	no HA	no HA	995
4050	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1003
4065	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1012
4080	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1020
4095	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1029
4110	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1038
4125	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1046
4140	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1055
4155	no HA	no HA	no HA	no HA	no HA	no HA	no HA	1064

Appendix 2. Care arrangements for young children on 31 December 2005

Children under 3



Children aged 3-6



Source: Ministry of Social Affairs and Health
