Employment Fund: Employment Fund's Half-Year Report 1 January 2026−30 June 2026

25.8.2026 11:30:00 EEST | Työllisyysrahasto | Half Year financial report

Employment Fund
Stock Exchange Release
August 25, 2026 at 11.30

This release is a summary of Employments Fund's Half-Year Report January–June 2026. The Half-Year Report in its entirety is attached to this release and available at the website https://www.employmentfund.fi/investors

Despite a high unemployment rate, the Fund's half-year result (change in net position) exceeded preliminary estimates and showed a surplus. This was due to higher unemployment insurance contribution income and lower earnings-related security expenses.

The amount of unemployment insurance contributions collected by the Fund was substantially higher than in the comparison period. This was because the unemployment insurance contributions for 2026 were increased as proposed by Employment Fund.

The financing contributions paid by the Fund to benefit recipients were substantially lower than in 2025 even though unemployment was higher than in the comparison period. The effects of legislative changes still manifested themselves in a decrease in expenditure on earnings related unemployment security and in the expenditure on pension security accrued during the period of earnings-related unemployment security.

Key figures January−June 2026

Figures are EUR million.

Change in net position	1 Jan–30 Jun 2026	1 Jan–30 Jun 2025	1 Jan–31 Dec 2025
Unemployment insurance contributions and other income	1,245	956	1,907
Financing contributions paid and administrative expenses	-1,160	-1,410	-2,668
Net financial income	8	20	32
Change in net position	**93**	**-435**	**-729**
Net position	30 Jun 2026	30 Jun 2025	31 Dec 2025
Investment assets and cash and cash equivalents	664	1,067	857
Accruals of unemployment insurance contributions	506	323	299
Receivables and fixed assets	172	140	56
Short-term and long-term loans	630	599	599
Unemployment insurance contribution and other liabilities	77	92	69
Net position	**636**	**838**	**543**
Key figures	1 Jan–30 Jun 2026	1 Jan–30 Jun 2025	1 Jan–31 Dec 2025
Unemployment insurance contribution % (total)*	1.81%	1.20%	1.21%
Change in total payroll %**	2.9%	2.1%	2.1%
Unemployment rate (average)	11.1%	9.9%	9.7%

Return on investments	1.3%	1.6%	2.9%

*Employer's average unemployment insurance contribution % and employee's unemployment insurance contribution %, total.
**Change in cumulative payroll during the reporting period compared to corresponding payroll in the same period in the previous year. Calculated on the basis of the wages and salaries on which the unemployment insurance contribution is paid.

Managing Director Karo Nukarinen

In the first half of the year, the Finnish economy showed signs of recovery, economic growth picked up and consumer confidence improved. However, at the same time, unemployment increased. There have also been further changes in the structure of the unemployment: the number of recipients of earnings-related daily allowance has decreased while at the same time, the number of recipients of labour market subsidy (from 1 May 2026: general social security benefit) has increased compared to 2025. Continuation of the war in Ukraine, together with instability and military strikes in the Middle East, remain a source of uncertainty in the global economy.

The Fund's results and liquidity improved

The Fund posted a surplus for the first half of the year, a result of higher income and lower expenses. Unemployment insurance contributions were increased by 0.6 percentage points for 2026 from a historically low level after two years of substantial decreases. The measure boosted the Fund's income. The spending cuts set out in the Government Programme reduced earnings-related unemployment security expenses. As a result, the Fund's financing expenses were lower than in previous years even though unemployment increased.

In April, we submitted a preliminary estimate of the level of unemployment insurance contributions for 2027 to the Ministry of Social Affairs and Health. According to our estimate, the total amount of unemployment insurance contributions could be kept unchanged or increased by a maximum of 0.3 percentage points.

The liquidity of Employment Fund remained good throughout the first half of the year. To strengthen our long-term liquidity, we extended and increased our revolving credit facilities in May.

Legislative projects progressed and the working group completed its report

The projects to change the legislation pertaining to Employment Fund continued during the first half of the year. They included the reform of the Act on the Financing of Unemployment Benefits, combination insurance and shortening of the lay-off notice period. The working group also reviewed the mechanisms reducing cyclical fluctuations in the Finnish economy and such matters as the role of Employment Fund in cyclical policy.

The legislation on combination insurance, which made progress during the first half of the year, will slightly expand Employment Fund's financial responsibilities. However, the practical impacts of the new legislation will not be felt until 2029.

Legislation on the shortening of the lay-off notice period was approved by Parliament in January. Shortening of the lay-off notice period is expected to increase the expenses of Employment Fund, and the estimates vary from negligible sums to up to EUR 40 million.

Following the abolition of the training compensation scheme, we paid the last training compensations, totalling about EUR 16 million, in early 2026.

The report of the tripartite working group appointed in autumn 2025 confirmed that the business cycle buffer of Employment Fund functions appropriately and ensures the stability of unemployment security funding in changing economic situations. According to the working group, there is no need to make any significant changes to the system. The term of the working group ended in April 2026.

Progressing towards strategic goals efficiently and in a customer-oriented manner

During the first half of 2026, we continued to implement Employment Fund's strategy and closely monitored its progress using a set of indicators. Providing customer-oriented services for the digital age in a reliable and high-quality manner, and boosting productivity and efficiency are our strategic goals.

We continued to update our unemployment insurance contribution services, the aim of which is to ensure a smoother customer experience and efficient services. The reforms are supported by the strengthened IT capabilities introduced last year, which create a sustainable basis for the long-term development of our services. We paid the last adult education allowances during the first half of the year. Shutdown of systems will continue until the end of 2026.

In April, we published a summary of the adult education benefits, which provides an overview of the implementation, use and impacts of the benefits from the early 2000s until the abolition of the scheme.

Looking at the future

We have made progress towards our goals and updated and developed our services during the first half of the year. Cooperation with our stakeholders has run smoothly. We have launched new partnerships and successfully continued existing stakeholder work. The fact that satisfaction among the Fund's personnel has improved and customer satisfaction has remained high also shows that the year 2026 has got off to a good start. All this would not have been possible without our employees and thus, I would like to thank all of them for their excellent work.

Employment Fund's operating environment

In June 2026, the European Central Bank raised its key interest rates for the first time in almost three years as the energy shock caused by the crisis in the Middle East pushed inflation higher in early summer.

According to forecasts, Finland's economic growth accelerated during the first months of 2026 but the positive outlook was overshadowed by high unemployment and geopolitical instability. The weak labour market situation reduced the number of vacancies and slowed down employment growth: the unemployment rate continued to grow and reached historically high levels in early 2026, averaging 11.1%. The impacts of legislative changes weakening unemployment security were again reflected in the financing contributions paid by Employment Fund.

Outlook for the end of the year

In the payment estimate submitted to the Ministry of Social Affairs and Health in April 2026, we estimated that the change in Employment Fund's net position would be positive to the amount of about EUR 60 million in 2026 which would mean a positive net position of about EUR 600 million at the end of 2026.

When preparing the half-year financial statements, we estimated that the change in Employment Fund's net position would be positive to the amount of about EUR 330 million in 2026, which would mean a positive net position of about EUR 880 million at the end of 2026.

Helsinki, 25 August 2026
Employment Fund
Board of Directors

Additional information:

Karo Nukarinen, Managing Director, +358 50 564 0920
Henri Pohjanen, Chief Financial Officer, +358 40 709 2806

Distribution:

NASDAQ OMX Helsinki
Media
www.tyollisyysrahasto.fi

About Työllisyysrahasto

The Employment Fund brings comfort in the changes of the working life. We collect the unemployment insurance contributions that are among other things financing the earnings-related unemployment benefits and urging forward the innovation of learning with the adult education allowance.

Attachments

- Download announcement as PDF.pdf
- Employment Fund_Half-year_Report_2026.pdf