

NB: Unofficial translation
Ministry of Employment and the Economy, Finland
July, 2014

Act on Compensations for Training (1140/2013)

Section 1 Objectives of the Act

The objective of this act is to improve the opportunities of employers to organise training for employees that develops their professional skills.

Section 2 Scope of application

This Act is applied to the reimbursement of costs incurred through training (*training compensation*) to employers not entitled to a deduction based on training under section 56(6) of the Act on the Taxation of Business Profits and Income from Professional Activity (360/1968) or section 10f(6) of the Act on Agricultural Income Tax (543/1967). However, this Act is not applied to the Parliamentary Office, the Office of the President of the Republic of Finland, the Office of the Parliamentary Ombudsman, the National Audit Office, the Bank of Finland or the National Insurance Institution. Moreover, the act is not applied to households as employers. The provisions laid down in this Act concerning workers also apply to public servants and local government officials.

Section 3 Implementation of the Act

The implementation of this Act is the responsibility of the Ministry of Finance as concerns government agencies and, as concerns employers, the Unemployment Insurance Fund. Government agency means an agency referred to in section 1(3) of the Public Servants Act (750/1994) but not state enterprises or agencies to which the Public Servants Act is not applied under section 3(1) of the Public Servants Act.

Section 4 Training giving rise to compensation

Employers have the right to training compensation for training that is based on a plan referred to in section 3 of the Act on Financially-Supported Development of Professional Skills (1136/2013) provided that the following conditions are met:

- 1) the duration of the training is at least an hour;
- 2) the employer pays wages to the employee for the duration of the training; and
- 3) wage subsidy under Chapter 7, section 1 of the Act on Public Employment and Business Service (916/2012) has not been granted to cover the pay costs of the employee taking part in the training.

Section 5 Amount of training compensation

The training compensation is 10 per cent of the pay costs used as grounds for the training compensation.

The pay costs used as grounds for training compensation are calculated by multiplying the average daily pay of employees by the number of days for which the employer is entitled to training compensation.

Average daily pay is calculated by dividing the wage sum used as the grounds for the unemployment insurance premiums under Act on Financing Unemployment Benefits (555/1998), hereinafter the Financing Act, by the average number of employees working for the employer and by dividing the quotient obtained in this manner by 200. The average daily pay in a government agency is

calculated so that the amount of work-related earnings entitling to a pension under section 59 of the State Employees' Pensions Act (1295/2006) is divided by the average number of employees at the government agency and the quotient obtained is divided by 200.

Days when the duration of training has been at least 6 hours are considered training days. A training day may consist of several trainings or training periods, with a combined duration of which during a calendar year is at least six hours.

Training compensation can be granted for a maximum of three training days per employee per calendar year.

Section 6 Applying for training compensation

Government authorities apply for training compensation from the Ministry of Finance and other employees from the Unemployment Insurance Fund.

Section 7 Procedure when applying for training compensation from the Ministry of Finance.

Government agencies will inform the Ministry of Finance of the amount of training compensation under section 5 by the end of March of the calendar year following the year in which the training was arranged (*year of training*).

The Ministry of Finance will confirm the amount of training compensation on the basis of the notification referred to above in subsection 1 and will pay training compensation to government agencies by the end of June of the calendar year following the year of training.

Section 8 Procedure when applying for training compensation from the Unemployment Insurance Fund

The employer will provide information on the amount of training compensation according to section 5 of this Act in connection with the notification concerning the amount of wages under section 21b of the Financing Act.

The Unemployment Insurance Fund will issue a decision on the amount of training compensation in connection with determining the amount of unemployment insurance premium pursuant to section 21c of the Financing Act.

The training compensation is deducted from the unemployment insurance premium determined for the employer.

Section 9 Application of the Financing Act

In matters concerning the training compensation paid out by the Unemployment Insurance Fund provisions in sections 21c, 22, 22a, 22c—24g, 24i, 26d and 26e on unemployment insurance premiums are applied.

Section 10 Financing of training compensation

Each year, upon application, the Ministry of Finance shall pay the Unemployment Insurance Fund the sum that the Fund has paid out to employers as training compensation.

Section 11 Entry into force

This Act enters into force on 1 January 2014.