

REPORT

Article 22 of the Constitution of the ILO

Report for the period 1 June 2016 to 31 May 2025, made by the Government of Finland

on the

Workers with Family Responsibilities**Convention, 1981 (No. 156)**

(ratification registered on 9 February 1983)

Family leave reform

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

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

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

Parents who are employed are subject to the provisions of the Employment Contracts Act concerning family leave. The most essential changes made to the Employment Contracts Act relate to, among other things, the names of family leaves and periods in which parental leave can be taken. Parental leave can be taken in more than one period. In addition, in the future, the employer will be obliged to justify in writing if they refuse to take part-time parental leave. This change is due to the Work-Life Balance e Directive.¹

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

¹ Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019

The family leave reform has generated the desired results, as fathers of children born after the reform have used a larger share of their parental leave days. The days used by fathers accounted for 11.1% of the total of parental leave days in 2021, while the corresponding share in 2024 was 20.9%. Fathers of children born in late 2022 used just over 20% of the total days, whereas fathers of children born before the reform used around 12% of the days. In addition, just over 70% of fathers used more parental leave than the period of 18 days that the parents can take at the same time. Prior to the reform, the corresponding share was less than 60%. (<https://tietotarjotin.fi/en/news/1210598/perhevapaaudistus-lisasi-isien-vanhempainvapaiden-kayttoa-uusia-joustomahdollisuuksia-kuitenkin-kaytetaan-vain-vahan> [Family leave reform increased use of parental leaves by fathers – new opportunities for flexibility still not used much] and Kela statistics)

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

Parental allowances are determined on the basis of the annual income of the insured person, that is, on the basis of their income for the 12 calendar months preceding the calendar month when their right to the benefit begins. In situations on which further provisions are laid down in the Health Insurance Act, the allowance may exceptionally be based on income for the three calendar months preceding the calendar month when the right to the benefit begins, converted into annual income. The annual income takes into account the insured person's pay, benefits and compensation for loss of income and, for entrepreneurs, their confirmed earned income. If the insured person does not have income considered in the annual income or the income is low, the parental allowance is always paid at least at the minimum rate (EUR 31.99 per working day in 2025). The average parental allowance paid to mothers was EUR 64.93 and to fathers EUR 82.96 in 2019. Wage and salary earners accounted for 94% and entrepreneurs for 6% of economically active mothers. Wage and salary earners accounted for 93% and entrepreneurs for 7% of economically active fathers. (https://www.finlex.fi/fi/hallituksen-esitykset/2021/129#OT1_OT2_OT0_OT7)

Family carers' leave is an entirely new provision under the Employment Contracts Act. The introduction of this leave is based on the so-called Work-Life Balance Directive. It allows up to five days a year to care for a loved one. Family care leave is non-remunerated.

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

Annual holiday and parental leave

The 2016 amendment to the Annual Holidays Act limited the right to annual holiday accrued from a period of parental leave so that a maximum of 156 working days are considered to be equivalent to time at work based on which annual holiday entitlement accrues. The family leave reform increased the period equivalent to time at work with regard to pregnancy and parental leave days by four days to a total of 160 days. In addition, following the reform, employers have the right to receive compensation for costs arising from annual holidays accrued during employees' special pregnancy, pregnancy and parental leaves.

(Research data on family leaves: Studies in Social Security and Health 165;2024: Perhevapaat ja työn ja perheen yhteensovittaminen muuttuvassa työelämässä [Family leaves and the reconciliation of employment and family life in a changing working life (in Finnish, abstract in English): <http://hdl.handle.net/10138/575644>)

Working group on family leaves and gender equality in working life

On 13 December 2023, the Ministry of Social Affairs and Health appointed a working group to examine the objectives of the Government Programme regarding family leaves and gender equality in working life. The working group's term was from 13 December 2023 to 28 February 2025, and its aim was to form, by the Government's mid-term policy review, a view on how the objectives of the Government Programme regarding in particular family leaves and the prevention of discrimination based on pregnancy and family leaves could best be implemented.

It was agreed when appointing the working group that, to support its aim, a legal study on the reduction of discrimination based on pregnancy and family leaves and, where necessary, also other studies, would be conducted. In addition to the legal study, the working group decided to commission a study on the costs of parenthood incurred in the other Nordic countries and in Estonia.

The parties to the working group put forward a number of proposals for measures, which were discussed at meetings and in writing. In addition, the working group considered the recommendations provided in the study reports commissioned to support its work (Inkeroinen 2024; Kauhanen & Nyysölä 2025). The working group also discussed the proposals presented at a consultation event on 1 October 2024. Its work was also supported by expert consultations that took place in conjunction with meetings. The working group's proposals contained measures to prevent discrimination based on pregnancy and family leaves, including refining the Equality Act, lengthening the time limit for action, and improving the protection of temporary agency workers. In addition, it was recommended that collective agreements should not contain discriminatory terms and that the resources of the Ombudsman for Equality be increased to increase the efficiency of monitoring. It was hoped that the provision of information about family leaves and the prohibition of discrimination would be strengthened in cooperation with the social partners. A comprehensive study to develop the allowance systems and to divide the costs incurred by employers more equally was proposed as regards family leaves.

(Memorandum of the working group on family leaves and gender equality in working life (in Finnish, abstract in English): https://api.hankeikkuna.fi/asiakirjat/2430f406-fad4-46a2-bab3-090cfa6b662c/27717c69-0bb1-4971-8ba7-02deea1ba6fe/MUISTIO_20250325084425.PDF)

In reference to the direct requests of the Committee of Experts below, the Government refers to the family leave reform described above and, in addition, notes the following:

(Direct request: 'The Committee asks the Government to continue to provide information on any measures taken to compensate employers for costs incurred, including in the framework of the Action Plan for Gender Equality, as well as any measures taken to implement proposals made by the parental leave working group in this regard.')

Family leave compensation

In April 2017, family leave compensation was introduced (Government Proposal HE 163/2016), which employers may apply for concerning costs incurred by the parenthood of female employees. This one-time payment of EUR 2,500 aims to promote the equal treatment and employment of young women by evening out costs incurred by employers from family leaves. Under chapter 14, section 4 of the Health Insurance Act, the compensation is paid to all employers of female employees that pay wages or salaries based on a collective agreement or an employment contract for at least a month during a parental allowance period. A further condition for the compensation is that the contractual employment relationship with the employer must have lasted at least three months prior to the beginning of the mother's parental allowance period and that it is based on an employment contract entered into for at least a year. In addition, the employee's working hours at the beginning of the parental allowance period must be at least 80% of the regular working hours of a full-time employee. The compensation is paid under corresponding conditions also to the employer of an adoptive mother paying wages or salary during the parental allowance period.

The number of employees covered by family leave compensation was roughly in the 17,500–21,600 range in 2018–2024. At the annual level, around EUR 44–54 million has been paid in family leave compensation. In 2024, the compensation was paid to a total of 4,040 employers. (Kela statistics)

In 2017–2020, family leave compensation was paid for just under 40% of all parental leaves of mothers commenced, and family leave compensation was paid for around 54% of the commenced parental leaves of mothers who were wage or salary earners. There was a clearly stronger focus in the payment of family leave compensation on women who are highly educated and work in administrative, clerical, managerial, professional or related occupations, and on the age group of 30–39. Examined by occupational group, the coverage of the compensation was clearly lower for women working in service occupations other than those in the care sector and as sales workers. In terms of euros, the payment of family leave compensation focused on larger employers and particularly on municipal employers as well as enterprises in the healthcare and social services sectors and in the wholesale and retail trade. The average amount of the compensation in euros has been clearly lower than the EUR 75 million originally estimated in the government proposal.

Family leave compensation aims to promote gender equality in the labour market and improve women's employment. It could be expected that the compensation focuses primarily on employers in the female-dominated municipal sector and private enterprises operating in the healthcare and social services sector. It is, however, uncertain to what extent family leave compensation will ultimately affect the willingness of employers operating in these sectors to hire (young) women. The discrimination of women in recruitment seems unlikely when mainly women apply for jobs in the sector. In this case, the role of the compensation is more to even out costs arising from family leaves between employers operating in different sectors.

Family leave compensation has to some extent evened out costs incurred by employers from family leaves between female- and male-dominated sectors. In the future, the need to even out costs will, however, have to be reassessed if gender equality in the use of family leaves increases and fathers begin to use more family leaves following the family leave reform.

(Project findings: Introduction of family leave compensation, Kela, Working Papers 167; 2022, in Finnish) <https://helda.helsinki.fi/server/api/core/bitstreams/0773d1d8-d45a-4465-bc19-ebdaecc5316/content>

Parental allowance at an increased rate

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

(Direct request/flexible childcare allowance: ‘The Committee asks the Government to continue to provide information on the impact of these arrangements on the possibility for workers to reconcile work and family responsibilities, including statistical information on the number of men and women using these arrangements.’)

Flexible care allowance

At the beginning of 2014, partial care allowance was divided into support aimed at parents of children under the age of 3 (flexible care allowance) and support aimed at parents of children who are in the first or second year of school (partial care allowance) (Government Proposal HE 129/2013). Partial care allowance intended for parents of children under the age of 3 was increased, and two different compensation levels were introduced to care allowance depending on how much the parent has reduced their working hours or what their number of hours worked is in part-time employment. At the 2025 level, the amount of flexible care allowance is EUR 269.24 per month if the working hours are around 3 days a week or 4.5 hours per day, and EUR 179.49 per month if the working hours exceed 3 days a week or 6 days per day.

Flexible care allowance is paid if a parent works 1–30 hours per week and cares for a child for the rest of the time. The recipient of flexible care allowance may be a wage or salary earner or an entrepreneur. Both parents, or persons who have custody of a child, have the right to receive flexible care allowance for the same calendar month if they are not absent from work to care for a child at the same time. Flexible care allowance is not paid for a parent or person who has custody of a child for any period when they themselves care for a child and receive child home care allowance or are paid parental allowance or pregnancy allowance. Flexible care allowance can, however, be paid even if the other parent receives parental allowance for the same child at the same time.

The aim of flexible care allowance is to facilitate the reconciliation of work and family life of parents of young children by supporting part-time employment. A report published in 2019 showed that the support was mainly used by well-educated and high-income women and hardly increased the participation of men in childcare. However, compared with the previous partial care allowance, flexible care allowance also reached low-educated mothers slightly more often, which indicates that the reform succeeded in expanding the user group.

Employment effects were on average minor: the working days of mothers of children under the age of 3 increased by around two days a year. There was, however, significant variation between the various groups in terms of effects. Positive effects were seen particularly among 26–34-year-old, low-educated, low-income and single mothers. Part-time employment increased in these groups, whereas the effect on highly educated and high-income groups was low or even negative.

Part-time employment increased particularly in sectors with a lot of low-income and low-educated employees, such as the care and service sectors. By contrast, the supply of labour decreased among groups such as professionals. All in all, the likelihood of part-time employment increased by around three percentage points, which is a significant increase compared with the previous level.

Although the effects over the short term were moderate, the reform appears to have been a success particularly for those groups with the highest risk of being excluded from the labour market. Over the long term, the effects of flexible care allowance may be more significant, for example as regards the continuity of mothers' careers and gender equality.

(Valtioneuvoston selvitys- ja tutkimustoiminnan julkaisusarja 2019:46; Joustavan hoitorahan työllisyysvaikutusten arviointi [Publication series of the Government's analysis, assessment and research. Evaluation of employment effects of flexible care allowance (in Finnish, abstract in English)])https://julkaisut.valtioneuvosto.fi/bitstream/handle/10024/161708/VNTEAS_46_19_Joustava_hoit_oraaha.pdf?sequence=1&isAllowed=y)

Private day care allowance

When an employee returns to work, a child may participate in municipal early childhood education and care (ECEC) or care for the child may be arranged through private ECEC. Private day care allowance can be paid if a child is under the school age and attends private ECEC or a paid childminder has been hired for the child by a parent or other person with custody of the child. As of 1 March 2023, private day care allowance was improved by means of an increase in the maximum amount of the income-related care supplement.

Measures during the COVID-19 pandemic

The spread of the COVID-19 virus and measures taken to prevent it affected the livelihood of many people. Infectious disease allowance compensates for loss of income if a doctor responsible for infectious disease control in the municipality or hospital district has ordered a person into quarantine or isolation or to stay away from work in order to prevent the spread of an infectious disease. A person who has custody of a child under the age of 16 can receive infectious disease allowance if the child has been placed in quarantine or isolation or ordered to stay at home and this results in loss of income for the person who has custody of the child. Infectious disease allowance does not have any waiting period. Instead, it can be paid from the first day of absence. In the same way as sickness allowance, infectious disease allowance is paid to the employer to the extent that the employer has paid wages or salary for the period of absence. During the COVID-19 pandemic, the right to infectious disease allowance and applications for the benefit were temporarily eased in some respects.

In spring 2020, an act was enacted on temporary support due to the epidemic, which was paid under certain conditions for those absent from work with no pay due to the COVID-19 epidemic. The purpose of the act was to compensate for parents' loss of income and secure livelihoods when parents, in compliance with the Government's recommendations to combat the COVID-19 epidemic, cared at home for a child who would normally attend ECEC or who was entitled to attend contact teaching in basic education even during the emergency conditions. The support could be received in situations where the child was in ECEC, pre-primary education, grades 1–3 of primary education or preparatory education for immigrants for basic education or had received a decision to receive special support or on extended compulsory education. The parent had to be in a valid contractual employment relationship and have a certificate from their employer

on unpaid absence due to the COVID-19 epidemic. The support was paid between 16 March and 13 May 2020 and amounted to EUR 720 per month.

A copy of this report has been sent to following labour market organizations:

1. The Confederation of Finnish Industries (EK)
2. The Central Organization of Finnish Trade Unions (SAK)
3. The Finnish Confederation of Salaried Employees (STTK)
4. The Confederation of Unions for Academic Professionals in Finland (Akava)
5. The Commission for Local Authority Employers (KT)
6. The State Employer's Office (VTML)
7. The Federation of Finnish Enterprises (SY)
8. The Commission for Church Employers

Statements of the labour market organisations

The Central Organisation of Finnish Trade Unions (SAK), the Confederation of Unions for Professional and Managerial Staff in Finland (Akava) and the Finnish Confederation of Professionals (STTK) comment as follows:

Division of family leaves between parents

Finland's new family leave system has been in force since autumn 2022. The family leave reform introduced gender-neutral quotas for family leaves and lengthened the periods of parental allowance. Opportunities for flexibility were increased in particular for parents not in the labour force. The starting points for the family leave reform was to divide family responsibilities and leaves more evenly between parents, to increase the flexibility of the family leave system and to take different family types better into account. Since the 2022 family leave reform, the share of family leave days taken by fathers of the total of family leave days has increased. In 2024, fathers used 21% of the total of parental allowance days, while in 2021 the share was 13%.

The more even division of family leaves between parents has therefore progressed in a positive direction, but mothers still take significantly larger numbers of family leave days than fathers in Finland. In the other Nordic countries, the use of family leaves is divided more evenly between mothers and fathers. The use of family leaves by fathers has been increased by a variety of flexible opportunities for taking family leaves and the increase in the parental allowance paid to the father for the first 16 working days.

Following the family leave reform, the parental allowance can be paid flexibly for longer periods, individual days and parts of days. For wage and salary earners, however, the flexibility of family leaves is reduced by the Employment Contracts Act, under which the employee's opportunity to divide their family leaves into separate periods is limited to four periods per calendar year. Under the Act, the duration of the periods must be at least 12 working days unless otherwise separately agreed with the employer.

This significantly restricts the opportunities of wage and salary earners to use their family leaves flexibly in order to support the reconciliation of work and family life compared with, for example, entrepreneurs and freelancers. The flexible use of family leaves has been one of the elements incentivising fathers in particular in the family leave system. Statistical data on the flexible use of family leaves is not yet available for the period since the family leave reform took effect.

Long periods of absence from working life have adverse effects on women's pay and career development and pension accrual. Women's absence from working life is prolonged particularly by the use of child home care allowance after periods of earnings-related family leaves. Child home care allowance is used by the majority, up to 90%, of families with young children in Finland. Mothers account for just over 90% of the recipients of child home care allowance. Long periods of child home care allowance are mostly used by lower-educated mothers as well as mothers with no job to return to. Should the child home care allowance provisions be amended in the future, particular attention should be paid in the amendments to equality provisions for the above-mentioned reasons.

The 2022 family leave reform did not make any changes to opportunities to use the child home care allowance. Prime Minister Orpo's Government did not include the development of child home care allowance in its Government Programme, despite child home care allowance having significant impacts on gender equality in working life and on women's employment. Child home care allowance also plays a role in terms of the livelihood of families and poverty experienced while there are young children in the family. The Government Programme does, however, include an entry on child home care allowance, stating that the right to child home care allowance would only begin after several years of residence. The central organisations of wage and salary earners regard the Government's intention to exclude parents who have resided in the country for less than three years as worrying, as the change would not treat these persons equally in relation to other members of the population.

To support women's employment, investments will be needed in education and training as well as family and gender equality. Examples of these include paying attention to support for employment, retraining opportunities, quality and availability of early childhood education and care, eradication of discrimination due to pregnancy and family leaves, and support for the employment of immigrant women through the necessary language and other training as well as employment support measures.

Discrimination due to pregnancy and family leaves

Discrimination due to pregnancy and family leaves is remarkably common in the Finnish labour market. In 2024, Statistics Finland published a report stating that one in four pregnant people experience discrimination due to pregnancy. The most common consequence of such discrimination has been the termination of a fixed-term employment contract due to pregnancy or a family leave. The finding is in line with, for example, observations made previously by the Ombudsman for Equality. The report also stated that discrimination based on pregnancy is only rarely reported to official parties. In most cases, the reason for this is that reporting is not

perceived to lead to anything (source: [Report: One in four pregnant people experience discrimination on grounds of pregnancy - Government](#)).

Based on contacts made to the Ombudsman for Equality, those particularly vulnerable to discrimination are women working in atypical contractual employment relationships, such as in fixed-term or part-time work. Discrimination due to pregnancy and family leaves typically relates to non-extension of employment contracts, jobseeking, return from family leave or pay during pregnancy or family leave and to fringe benefits from employment.

As can be concluded from the common occurrence of discrimination and, on the other hand, the small number of discrimination cases being filed, Finnish anti-discrimination legislation is not de facto effective and does not prevent discrimination either. The situation regarding discrimination is likely to become worse during this government term since, as noted above, Prime Minister Orpo's Government is planning to facilitate fixed-term employment contracts and lower the threshold for terminating employment. Considering that discrimination takes place in fixed-term contractual employment relationships in particular, the changes are very likely to make the situation worse. The Orpo Government is not taking any measures relating to this theme that would rectify or improve the situation, either.

One of the objectives of the Programme of Prime Minister Orpo's Government is, however, to target more effective measures at preventing discrimination based on pregnancy and family leaves. The working group on family leaves and gender equality in working life appointed for this purpose completed its work in early spring 2025. Although the working group sought to find ways to eradicate discrimination based on pregnancy and family leaves, the impacts of the Government Programme as a whole are weakening the situation concerning discrimination based on pregnancy and family leaves in Finland. For this reason, the Central Organisation of Finnish Trade Unions (SAK) and the Finnish Confederation of Professionals (STTK) issued their dissenting opinion on the final report of the working group. The measures proposed by the working group are not in any way sufficient to prevent discrimination due to pregnancy and family leaves in working life.

The risk of being subjected to discrimination does not apply only to women. Instead, everyone regardless of their gender may be discriminated against due to using family leaves. Following the family leave reform, fathers have also experienced increasing discrimination in working life.