Agreement on 2017 Earnings-related Pension Reform

1. Introduction

The central labour market organisations have reached a decision in line with this agreement concerning the next earnings-related pension reform. The negotiations have been based on the Government Programmes of the governments of Prime Ministers Jyrki Katainen and Alexander Stubb, the Work Career Agreement of 22 March 2012, the Pact for Employment and Growth of 30 August 2013 and the comment delivered by the central labour market organisations to Finland's government on 19 March 2014.

The organisations unanimously find that, with the amendments in line with this decision, the joint objectives set for the earnings-related pension reform will be met. The amendments provide for the increasing life expectancy. By 2025, the expected effective retirement age will rise to at least 62.4 years. The reform will reduce the sustainability gap of public finances with an ample percentage point (1.1) and will promote employment and secure the financing of earnings-related pensions, adequate pensions and intergenerational and gender equality. The reform also includes measures to promote continued working and coping at work. The impacts of the reform have been assessed at the Finnish Centre for Pensions and the Ministry of Finance. In addition, the Ministry of Social Affairs and Health has participated in the preparatory work of this decision.

The decision in line with this agreement is a proposal by the central labour market organisations to the government for the next pension reform, according to which the necessary amendments to statutes will be implemented. The proposals for law amendments, including measures to promote continued working and coping at work, shall be prepared according to standard praxis by the social partners and the Government (tripartite co-operation. The premise of the drafting of the law is that only such changes that relate to this agreement shall be prepared in this connection.

2. Amendments to benefits

2.1. Accrual of pension

Pension shall accrue at an annual rate of 1.5 per cent of the pensionable earnings from age 17 until the upper age limit of the insurance obligation. The accrual for work done while drawing a pension shall be 1.5 per cent per year.

Until 31 December 2025 and deviating from the previous, pension shall accrue between the ages of 53 and 62 at an annual rate of 1.7 per cent of the pensionable earnings (accelerated accrual during the transition period).

The pension contribution of an employee who earns pension at an accelerated accrual rate shall be 1.5 percentage points higher than the regular employee's pension contribution.

The deduction of the employee's pension contribution from the pensionable earnings shall be abolished. This will have no impact on the determination of other social security benefits.

If the employee does not retire when reaching the earliest eligibility age for old-age pension, the accrued pension shall be adjusted with an increment for deferred retirement of 0.4 per cent per deferred month.

The projected pensionable service of the disability pension shall span until the earliest eligibility age for old-age pension. The projected pensionable service shall be calculated in the year of the pension contingency based on the earliest eligibility age for old-age pension confirmed for the age cohort nearest to the employee's age. The accrual rate for the projected pensionable service shall be 1.5 per cent per year.

2.2. Years-of-service pension

The disability pension shall be supplemented with a years-of-service pension intended for individuals who are 63 years of age and have an extensive working life. This regulation shall be entered in a paragraph of its own in the earnings-related pension acts. The details shall be worked out during the law drafting according to the following definitions of policy:

- The preconditions for receiving this pension shall be more lenient than the current preconditions for disability pension for individuals who have turned 60 years
- An extensive working life refers to a working life of at least 38 years for which earnings-related pension insurance has been taken out and which has entailed, with minor exceptions, strenuous and wearing work. A working life of this kind may include periods of maternity, paternity or parental leave for a maximum of 3 years. Whether the preconditions of the length of working life are met shall be solved based on data in the earnings-related pension register and reliable accounts submitted by the pension applicant.
- The period between the time when the employment has ended and the pension application has been submitted shall be one year at the most.

- In addition to accounts submitted by the employee, the following document has to be attached to the pension application: a statement by the occupational health care on the level of strenuousness of the current and, if possible, previous work tasks, the required working capacity and the employee's possibilities to continue working (in particular, the physical and psychosocial strain compared to the employee's working capacity).
- The pension level shall equal the disability pension without the component for projected pensionable service.
- The same rules concerning the starting, interruption, adjustment, suspension and termination of the pension shall apply as for the disability pension. A preliminary pension decision may be issued for the years-of-service pension.
- The aims listed in the Introduction of this agreement shall be taken into account when implementing the years-of-service pension.

2.3. Partial early old-age pension

The part-time pension shall be replaced by a partial early old-age pension, which the employee shall be entitled to after turning 61 years-of-age and until retiring on an old-age pension. The partial early old-age pension shall be 25 or 50 per cent of the pension that has accrued until the time of the pension contingency, adjusted with the life expectancy coefficient. This pension shall be adjusted with a reduction for early retirement, the size of which shall be 0.4 per cent for each month that the pension is paid before the applicant reaches the earliest eligibility age for old-age retirement. The requirement of working part-time shall be abolished, and earned wages and number of working hours shall not be monitored.

As of the beginning of 2025, the earliest eligibility age for the partial early old-age pension shall be raised to 62 years.

The loss of income that the employee will suffer while or after working after drawing a partial early old-age pension shall generally be compensated in other social benefits. The ratio of the partial early old-age pension to other social insurance shall be examined later in connection with the further preparatory work. It is appropriate that, in certain cases, the benefit may be terminated. If the partial early old age pension is terminated, the unemployment allowance shall be determined on the basis of the earnings for the work done before the onset of the partial early old-age pension.

2.4. The old-age pension and certain related matters

The earliest eligibility age for the old-age pension for those born in 1955 or later shall be raised as of 1 January 2017 by 3 months per birth year cohort until the earliest eligibility age for the old-age pension is 65 years.

The upper age limit for the obligation to take out insurance and the old-age pension shall be linked to the earliest eligibility age for old-age pension so that their difference remains at 5 years. The retirement age according to the Employment Contracts Act shall be raised correspondingly. However, these age limits shall be adjusted in full years. When the earliest eligibility age for old-age pension is 65 years, the amendments in the upper age limits shall be settled separately in connection with the amendments to the earliest eligibility ages.

When the old-age retirement age is 65 years, the life expectancy coefficient shall be mitigated so that the amendments in the retirement age limits shall be taken into account. The mitigation of the life expectancy coefficient shall apply to both old-age and disability pensions, and the life expectancy coefficient shall also be applied to the projected pensionable service of the disability pension. Regarding the old-age pension, the life expectancy coefficient for each age cohort shall be calculated at an age that is one year below the earliest eligibility age for the old-age pension. Regarding the disability pension, the life expectancy coefficient confirmed for the year of the pension contingency shall be applied.

In the further preparatory work, the life expectancy coefficient shall be extended to cover the projected pensionable service, without the coefficient inappropriately affecting the level of the disability pensions to be granted.

The adjustment to the extended longevity after 2025 shall be implemented in line with Appendix 1.

A target retirement age shall be introduced and entered into the Act. The pension record sent to employees 5 years before the earliest eligibility age for old-age pension shall include an assessment of what the life expectancy coefficient will be and by how much the working life should be extended in order to compensate the impact of the life expectancy coefficient (i.e. the target retirement age). The pension estimate shall also include an assessment of the pension amount lost at the earliest eligibility age for old-age pension due to the life expectancy coefficient.

2.5. Report on survivors’ pension

In tripartite co-operation, a report on the improvement and modernisation options of the survivors' pension shall be made by the end of 2016. The report shall make use of the research reports on the survivors' pension conducted at the Finnish Centre for Pensions. Any amendments to the survivors' pension provision shall be negotiated and decided after the completion of the report.

2.6. Further preparatory work

The aforementioned amendments to benefits shall apply to all earnings-related pension acts and come into force on 1 January 2017, unless otherwise stated. The determination of the age limits shall be technically implemented in the same way as regulated in the currently valid legislation.

The raise of the retirement age shall apply to the public sector pension schemes insofar as the individuals' right to old-age pension is determined based on the currently valid regulations on the general, flexible retirement age (63-68 years). In connection with the further preparatory work, the Ministry of Social Affairs and Health shall assess separately with the public sector employees (the KT Local Government Employers, the Office for the Government as Employer, the Labour Market Organisation of the Church) and the main contracting organisations how this agreement shall be integrated with the special features of the public sector pension schemes.

The impact of this agreement on other pension schemes shall be assessed separately in tripartite co-operation.

The organisations concur that any flaws that may arise during the drafting of the law will be solved based on this agreement. During the further preparatory work it shall be ensured that, relating to the levels of the old-age pension and the disability pension, no inappropriate consequences in terms of the objectives of this agreement shall arise.

The negotiation result shall remain open until the Finnish Centre for Pensions and the Ministry of Finances provide calculations to ensure that the objectives can be reached.

3. Financing of the earnings-related pensions and other issues

3.1. Level of earnings-related pension contribution

The contributions under the Employees Pensions Act (TyEL) shall be 24.4 per cent of the TyEL wages in 2016. However, the TyEL contribution collected in 2016 shall be 24.0 per cent since, in order to scale the level of the equalisation amount, the contribution shall be adjusted with a temporary reduction of 0.4 per cent. The reduction shall be allocated equally between the employees and small-scale employers according to the 50/50 rule, without causing a rise in the contribution burden of large-scale employers.

Between 2017 and 2019, the TyEL contribution shall be 24.4 per cent of the TyEL wages. However, the EMU buffer may be used to control the contribution, but this shall require separate decisions. The increases shall be divided equally between the employer's and the wage-earner's contribution.

According to long-term projections of the Finnish Centre for Pensions, this contribution level is sufficient to finance pensions also after 2019. The issue shall be reassessed during the TyEL contribution negotiations in 2020 at the latest.

The goal of the parties is that the contributions shall develop equally and appropriately and that the benefits and their financing shall be secured long-term.

Pension contributions under the other earnings-related pension acts shall be decided on separately. The following amendments shall concern only the pension scheme referred to in the Earnings-related Pension Act.

3.2. Equalisation amount, provision for pooled claims and the EMU buffer

At the beginning of 2017, the equalisation amount shall merge with the solvency margin into one buffer, which shall be used to provide for fluctuations in insurance and investment operations.

As of the beginning of 2017, the lower limit of the provision for pooled claims shall be adjusted to 20 per cent of the following year's pay-as-you-go pension expenditure.

The portion exceeding the lower limit of the provision for pooled claims may be used, among other things, to supplement pension liabilities, for additional funding of old-age pensions and to provide for the pension expenditure due to the demographic development.

The provision for pooled claims includes the EMU buffer. Its assets may be used to control the TyEL contribution when, for example, Finland's economy and employment situation are poor for some reason or in comparison with those of competitor countries. In the appendix to the agreement on EMU buffers signed in 1997, it has been estimated that an adequate buffer in terms of regular fluctuations would be approximately 2.5 per cent of the wage sum.

The parties concur that the EMU buffer may be used to control the TyEL contribution with a maximum of 0.8 per cent of the wage sum per year.

Negotiations about the use of the EMU buffer shall presuppose a unanimous assessment of the economic situation by the central labour market organisations. The use of the EMU buffer may not jeopardise the sustainability of the financing of the earnings-related pension provision. The impact of the use of the EMU buffer on the sustainability shall be assessed before making the decision to use the buffer. What other types of measures may be required to improve employment shall also be assessed.

If the parties decide to use assets from the EMU buffer to control TyEL contributions, they shall decide at the same time within which time frame the TyEL contribution shall be raised above the normal contribution level once the employment and economic situation has improved. In this way, the amount of assets used in relation to the wage sum shall be reaccumulated to the EMU buffer.

The agreement on the EMU buffer, signed by the central labour market organisations in 1997, shall be supplemented with these principles. Appendix 2 describes the procedure through which the economic situation shall be assessed.

3.3. Funding of old-age pensions

As of 1 January 2017, a proportion of the old-age pension contribution corresponding to a pension accrual of 0.4 per cent of all TyEL income shall be funded between the ages of 18 and 68, until the employee retires for the first time on an old-age pension under TyEL.

In 2017, the funding of old-age pensions shall be increased from the provision for pooled claims in the form of iv2 increases. The increase shall amount to 0.4 per cent of the TyEL wages.

The funding of old-age pensions shall be increased again in 2018. The amount of the increase from the provision for pooled claims shall be 1.5 per cent of the TyEL wages, unless otherwise agreed in the further preparatory work discussed below. The allocation shall be implemented according to the principles of the further preparatory work.

How the funding shall be increased in order to secure a long-term financing of earnings-related pensions and a stable and appropriate contribution development shall be sorted out and decided during the further preparatory work. The increased funding from the equity-linked buffer fund and other iv increases shall be subject to further preparatory work, which shall be completed by 31 May 2015. Based on this, the funding shall be increased as of 31 December 2016.

In addition to the above-mentioned increasements, additional funding from the provision for pooled claims shall be made according to the same principles in the period from 2021 to 2025. The amount of the funded pensions shall be decided in the annual contribution negotiations.

3.4. The equity-linked buffer fund and provision for the mortality basis

The equity-linked proportion of the return requirement shall be raised to 20 per cent of the technical provision as of 1 January 2017. The upper limit of the equity-linked buffer fund shall be set at 1 per cent and the lower limit at -20 per cent of the technical provision. The equity weight of the investments of a single earnings-related pension insurance provider shall be set at a maximum of 60 per cent of all investments. These amendments shall come into force as of 31 December 2016. The amendments to the limits of the equity-linked buffer fund shall be implemented, unless another decision based on reasonable grounds is made during the further preparatory work.

The new mortality basis shall be adopted as of 31 December 2016 according to the model presented by the Advisory Committee for Calculation Criteria Affairs of The Finnish Pension Alliance TELA on 14 August 2014. The basis shall be increased on 31 December 2016 by 0.5 per cent of the TyEL wages, by the assets freed due to changes in the limits of the equity-linked buffer fund, and by the iv1 increases in 2016. If, due to the economic situation, the assets in the equity-linked buffer fund are insufficient, the iv1 increases of the following years shall be implemented.

3.5. Other issues relating to financing

The issues in the report (Jukka Ahtela) on the financing of public-sector pensions shall be carried out in tripartite co-operation.

The compensation for loss of earnings determined based on the regulations of the Patient Injuries Act and the Motor Liability Insurance Act shall become primary in relation to the earnings-related pension acts. This amendment shall apply to insured events that occur on 1 January 2017 or thereafter.

The experience rating model of disability pensions shall be adjusted so that the disability pensions granted to employees, for whom public employment office services are offered as vocational rehabilitation, shall not affect the contribution category. Years-of-service pensions shall not affect the determination of the contribution category.

Under the direction of the Ministry of Social Affairs and Health, the social partners and the Government shall compile a report on the employer incentives used to promote an extension of working life and on a standardisation of the public and private sector incentive scheme. The aim is to support the continued working of individuals with a partial working capacity. As part of the survey, the possibilities to create incentives for employers external to the experience rating model shall be assessed. The possibilities to remove the impact of disability pensions granted solely on the basis of injuries caused by accidents taking place during leisure time on pensions affecting the contribution categories shall also be assessed. Based on the report, the necessary amendments shall be implemented in 2015.

4. Change Security

The unemployment allowance for individuals who have turned 58 and who are re-employed shall be redefined based on the former wage, if the new wage is smaller. This adjustment shall be implemented as soon as possible, but no later than on 1 July 2015.

For the elderly, a long-term wage subsidy shall be introduced. Sufficient resources for an active labour policy shall be secured.

The development and steering group of the Ministry of Employment and the Economy shall assess the need to improve the Change Security, in particular from the point of view of an as quick and efficient as possible re-employment of employees who have been made redundant. Special attention shall be paid to the employment of elderly unemployed persons and the supporting of retraining for a new profession. The deadline of the working group is 31 December 2014.

5. Partial early old-age pension and reduction in working hours

If an employee wishes to work for fewer than the regular working hours in order to retire on a partial early old-age pension, the employer shall primarily seek to organize the work so that the employee may do part-time work. The working hours shall be reduced in a manner agreed upon by the employer and the employee, taking into consideration the needs of the employee and the production and service activities concerned. This amendment shall be made to Section 15, subsection 3 of the Working Hours Act and shall come into force on 1 January 2017.

6. Other improvements that support the earnings-related pension reform

Reaching the objectives of the earnings-related pension reform shall be supported by measures that will make rehabilitation more efficient and reduce absences due to illness, as listed in Appendix 3. These measures shall be implemented as soon as possible.

By 31 May 2019, the central labour market organisations shall assess what the impacts of the changes to the additional days of unemployment security have been on the labour market status of employees. Particular attention shall be paid to whether the right of unemployed jobseekers aged 60 or above to be placed in supported work or undergo other active measures, as agreed in the Working Career Agreement (22 March 2012), has been realised in practice. Based on the assessment, a decision of further measures shall be made to ensure that the reforms have had the intended practical effect. If the parties find that the measures agreed on in the Working Career Agreement have had the intended effect, the earliest eligibility age for the right to additional days of unemployment security shall be raised for persons born in 1961 and later by one year, to 62 years.

Occupational health care plays a significant role in the extension of working lives. The Confederation of Finnish Industries (EK), the Central Organisation of Finnish Trade Unions (SAK), The Finnish Confederation of Professionals (STTK), and Akava find that the financing of occupational health care is to be retained at the current level.

Helsinki, 26 September 2014

CONFEDERATION OF FINNISH INDUSTRIES (EK)

COMMISSION FOR CHURCH EMPLOYERS

LOCAL GOVERNMENT EMPLOYEES (KT)

THE CENTRAL ORGANISATION OF FINNISH TRADE UNIONS (SAK)

THE FINNISH CONFEDERATION OF PROFESSIONALS (STTK)

OFFICE FOR THE GOVERNMENT AS EMPLOYER

APPENDIX 1

ADJUSTING TO AN EXTENDED LONGEVITY

Aim

The aim of the parties to this agreement is that, after 2025, the ratio of time spent in retirement to time spent working shall remain such that it secures the social and financial sustainability of the pension provision and that the economic dependency ratio will remain on a sustainable level without the credibility of economic policy suffering. Currently, the life expectancy coefficient is used to adjust the earnings-related pension scheme to an extended longevity. If working lives are not extended, this may lead to declining pension levels.

The central labour market organisations find it necessary that the ratio between time spent in retirement and time spent in working life be taken into account also in other ways in the development of the earnings-related pension scheme after 2025. An economic dependency ratio that is on a sufficiently good level is the safest way to ensure a sufficient pension level, to control the pressure to increase pension contributions, to strengthen intergenerational fairness and to ensure, for its part, the financing of public sector services and the sustainability of public finances. The parties concur that the ratio of time spent working to time spent in retirement shall be kept at least at the current level.

Assessment of development of working lives

To retain the ratio of time spent working to the time spent in retirement, the factors affecting time spent working and the financial and social sustainability of the earnings-related scheme shall be reviewed regularly. The goals are an extension of working lives, a sufficient pension level, sustainable pension financing and intergenerational fairness.

That these aims are reached shall be measured by, among other things, the ratio of a five-year-average of the expected time spent in the labour force of an 18-year-old to a five-year-average of the expected life span of an 18-year-old (the labour years ratio). The development of the ratio of labour force participation to life expectancy shall be monitored in tripartite co-operation between the social partners and the Government, led by the Ministry of Social Affairs and Health, at 5-year intervals. In this connection, the impact of various factors on the development of the labour years ratio shall be assessed. The aim is to retain the labour years ratio at the level of year 2025 at the minimum.

The following shall be taken into consideration in the assessment: the development of the effective retirement age, the functionality of the life expectancy coefficient and the adjustment regulation for the age limits described below, as well as the socio-economic differences between population groups. In addition, gender differences, the disability pension risk, the development of the number of healthy years, the length of working lives and factors affecting it at various stages of the working lives, the employment and unemployment rates per age groups, as well as the replacement rate and the ratio of pensions to average earnings shall be considered in the assessment.

These principles shall be entered into the law. The first assessment shall be made in 2027. The background work, including various reports and studies, shall be made and conducted in good time.

Measures based on the assessment

Based on the assessment and in tripartite co-operation, a decision on the necessary measures to promote participation in working life and to ensure the financial and social sustainability of the earnings-related pension scheme shall be made. Such measures may include amendments to statutes.

The parties concur that no changes shall be made to the age limits of the old-age pension based on the below-mentioned adjustment rule for the age limits, providing the labour years ratio has remained on the target level at the minimum. This principle may be departed from if, as a result of the impact of exceptional factors discovered in the assessment, the labour years ratio offers an insufficient view of the development of the total work input and time spent working, or if the securing of the sustainability of the pension scheme so requires. Based on this, the parties shall propose to the Government that the adjustment rule not be implemented. They shall also propose other amendments to statutes that they find necessary.

Adjustment rule for age limits

In order to retain the ratio of time spent in retirement to time spent working, a new provision shall be entered into the law. The aim of this new provision is to maintain the ratio of time spent in retirement to time spent working on at least the same level as it will be in 2025 (adjustment rule for age limits). This shall be implemented by adjusting the earliest eligibility ages of the old-age pension, the partial early old-age pension and the years-of-service pension so that the ratio of time spent in working life (from 18 years to the earliest eligibility age for old-age pension) to the time spent in retirement (life expectancy at the earliest eligibility age for old-age pension) will remain unchanged. The Ministry of Social Affairs and Health shall confirm with a decree the adjusted age limits in line with the adjustment rule. The adjustments shall be made in full months at a maximum of 2 months per year. The first adjustment shall be made in 2030.

APPENDIX 2

ASSESSMENT OF ECONOMIC SITUATION FOR THE NEGOTIATIONS CONCERNING THE USE OF THE EMU BUFFER

1. Principles of usage

- The proportion exceeding the lower limit of the provision for pooled claims may be used, if the economic situation so requires, for example to supplement pension liabilities, for additional funding of old-age pensions or to provide for the pension expenditure due to the demographic development.
- The provision for pooled claims may be used to reduce the TyEL contribution or to keep it unchanged if the economic situation is poor and is estimated to continue as such also in the following year.
- The use of the provision for pooled claims as a buffer against the economic situation would be clearly founded, for example, if Finland were to face a radical problem relating to competitiveness or a significant economic disturbance.
- An expert assessment of the economic situation shall be made if one of the central labour market organisations so requests.

2. Assessment of the economic situation

- Experts appointed by the central labour market organisations shall assess the economic situation.
- When assessing the economic situation, the criteria used shall be the economic development in the previous year and the economic outlook for the coming year.
- The current economic situation shall be assessed based on, among other things, the following criteria:
    - On an annual level, a real-term decline of the wage sum has been observed
    - Unemployment has increased and/or employment decreased clearly in a 12-month review period
    - GPD has fallen below its previous level
    - Export has developed weakly and/or the current account deficit is explicit
    - The Finnish competitiveness (relative labour unit cost) has clearly weakened in the long-term in comparison to the average competitiveness of the eurozone
- The macro economy of the following year shall be assessed based on, among others, the following criteria:
    - GDP is expected to be reduced real-term
    - Unemployment is expected to clearly grow and/or employment is expected to clearly decline in the following calendar year
    - The wage sum is predicted to decline real-term in the following calendar year
    - Export is expected to be weak and/or the current account deficit is explicit
    - A pronounced decline in the stock price index predicts a significant change in economy
- In addition, attention shall be paid to the overall assessments of influential institutions on the state of the economy
- The assessment of the economic situation shall be made as an overall assessment based on the reviewed criteria

3. Decision on using the provision for pooled claims in a weak economic situation

- Based on the expert assessment, the central labour market organisations shall unanimously decide whether the EMU buffer included in the provision for pooled claims should be used

APPENDIX 3

INTENSIFYING REHABILITATION AND REDUCING ABSENCES DUE TO ILLNESS

1. Rehabilitation

1.1 “30-60-90 rule” for jobseekers

a) Jobseekers, who are on a sickness allowance:

Payment of the sickness allowance after 90 days shall require a doctor’s statement on the working capacity and possible rehabilitation needs (working capacity inspection).

b) Jobseekers, who are not on a sickness allowance:

Issues relating to the working capacity shall be handled when drawing up and updating the employment plan. If the clerk at an Employment and Economic Development Office observes a problem relating to an individual’s working capacity, a working capacity inspection shall be added to the employment plan. The individual shall not be found guilty of neglecting to realize his or her employment plan if the municipality of residence fails to arrange a working capacity inspection within a reasonable time period. If the working capacity inspection reveals a need for rehabilitation, the individual shall be directed to contact Kela/an earnings-related pension insurance company.

1.2 Upper age limit for rehabilitation

If the age limits for the old-age pension change, the age limit for vocational rehabilitation shall be changed correspondingly. This will be made with as small regulatory amendments as possible and without changing the foundations of the system. The rehabilitation of persons approaching the eligibility age for old-age pension shall be scaled and arranged so that the individual will return to work and not retire immediately after the rehabilitation.

1.3 Level of compensation for psychotherapy

The level of the rehabilitative psychotherapy compensated by Kela for the young (aged 16-25 years) is higher than that for adults (aged 26-67 years). The level of compensation for adults has not been adjusted in over 20 years. The level of compensation for the adults shall be raised to the level of the young. The static estimate is approximately EUR 10 million.

1.4 Compensation for psychotherapy administered by other than a physician

The coverability for short-term (max. 15 sessions) psychotherapy shall be extended so that the medical expenses insurance of the health insurance will compensate also such psychotherapy that is administered by a psychotherapist (other than a physician) with a protected occupational title as referred to in Section 1 of the Decree on Health Care Professionals (564/1994), providing a physician has issued a referral to such psychotherapy.

Kela's Health Insurance Advisory Board shall establish the cost effects, the labour market situation of psychotherapists and the impact of the reform on the availability of psychotherapy services before moving on with the reform.

2. Reducing absences due to illness

The possibility to implement instructions on the assessment of the need for absences due to illness shall be clarified. The report's assessments regarding the need for and average duration of sick leaves must be based on researched data and clinical experience of average periods of disability caused by illnesses and injuries that typically restrict individuals' working capacity. A significant role is also played by the nature of the work and the demands the work puts on an individual's health and capacity. The recommended periods of duration shall not be binding and the physician that issues a disability certificate may deviate from them for reasons relating to the patient's health and work tasks.

When making the report, the definitions of policy of various countries, such as Sweden, regarding the length of sick leaves and the national Current Care Guidelines may be used as tools. The report shall be drawn by the central labour market organisations, Kela and the Finnish Institute of Occupational Health by the spring of 2015. If necessary, external expertise shall be made use of. If the parties agree to compile instructions on the lengths of sick leaves, the instructions shall be reviewed and updated regularly to correspond to current medical knowhow and treatment developments.