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services

Job alternation leave



te-services.fi

Job alternation leave – information for jobseekers and employers

Job alternation leave is an arrangement in which an employee and the employer conclude an agreement under which the employee is released from their duty to carry out the tasks covered by the service relationship for a fixed period of time. At the same time, the employer undertakes to hire an unemployed jobseeker registered at an Employment and Economic Development Office (TE Office) for the duration of the employee's absence.



For more information about our services, go to www.te-services.fi.

Looking for a job? There are a broad range of services available to you at the TE Offices.

Job alternation leave offers

- ▶ gives an **employee** (alternator) the chance to take an extended leave, which they can spend as they wish (studying, child care, caring for other family members, rest, hobbies, etc.);
- ▶ gives an **unemployed jobseeker** (substitute) the chance for a fixed-term service relationship and provides them with an opportunity to maintain and develop their work skills and improve their chances of getting a job;
- ▶ gives an **employer** a recruitment channel and an opportunity to introduce more flexibility and new skills to the work community.

What is required for a job alternation leave?

An employee wishing to take a job alternation leave must be in a contractual or public service employment relationship or in a comparable service relationship. The alternate must be a full-time employee or an employee whose working hours are more than 75% of the working hours of a full-time employee in the sector. A full-time entrepreneur may not take job alternation leave.

An employee cannot retire immediately following their job alternation leave. The maximum age of the person beginning their alternation leave shall be three years before their old age pension can start at the earliest. The maximum age shall not apply to persons born before 1957.

If you are planning to take job alternation leave, you should contact your TE Office well in advance so that they can determine whether you meet these requirements.

Employment history requirement

The employee planning to take job alternation leave must have been employed for at least 20 years before the start of the leave.

The employee's employment history until 31 December 2006 is calculated on the basis of the work required for the pension based on the contractual and public service employment



Contact your TE Office well in advance of the job alternation leave.

relationships listed in section 8, subsection 4 of the Employees' Pensions Act (395/1961) and the work required for the self-employed persons' pension, as laid down in provisions that went into force on 31 December 2004. The employment history that the person in question has accumulated before the age of 23 is taken into account.

When calculating an employee's employment history, all work covered by pension insurance that the person has carried out after turning 18 years of age shall be taken into account. Employment covered by pension insurance carried out in another EU member state, EEA member state and Switzerland shall be approved as part of an employee's employment history.

The employee's employment history since the start of 2007 is calculated on the basis of the earnings accrued under the employment pension legislation referred to in section 3 of the Employees Pensions Act (395/2006). The employment history is calculated on the basis of the employee's pension-insured employment history since the age of 18.

What is called a period of time comparable to work may account for a maximum of one quarter of the employment history. The period of time comparable to work means the period for which the person in question has received a maternity, special maternity, paternity or parental allowance or a special care allowance. The time that the person in question has been on care leave or in military or non-military service is also considered a period of time comparable to work.

An employee wishing to take job alternation leave again must accumulate a new employment history, which amounts to five years from the end of the previous job alternation leave.

If you are planning to take job alternation leave, you can order an extract from the Finnish Centre for Pensions, which details your employment history in the service of private employers and your work as an entrepreneur. The register extract detailing your public sector employment relationships can be ordered from Keva, the body handling public sector pensions.



Remember to check your employment history with your unemployment fund or Kela well in advance of the planned job alternation leave.

Remember to check your employment history with your unemployment fund or the Social Insurance Institution (Kela) well in advance of the planned job alternation leave.

Working requirement

An employee wishing to take job alternation leave must have been in a full-time service relationship (more than 75%) requiring a full-time work input with the same employer for at least 13 months immediately before the start of the job alternation leave. The 13-month period may include a maximum of 30 calendar days of unpaid absence. Only absences resulting from illness or accidents are considered a period of time comparable to work.

Job alternation agreement and the agreement on hiring a substitute

The job alternation leave is a voluntary arrangement in which the employer and the employee conclude a written agreement. Agreement forms are available at: www.te-services.fi or www.suomi.fi.

The start and end dates of the job alternation leave must be stated in the agreement. The job alternation agreement will consist three identical copies signed by the employer and the employee. One of the copies is for the TE Office.

The alternation leave agreement shall be submitted to the TE Office well in advance of the date the leave begin. A copy of the substitute's employment contract, a letter of appointment or other reliable proof of hiring a substitute for the period of the alternation leave shall be submitted to the TE Office immediately following the beginning of the alternation leave. This same documentation must be submitted to the TE Office also when a period of job alternation leave is extended.

Duration of the job alternation leave and extending the leave

The duration of the job alternation leave must be at least 100 successive calendar days and no longer than 180 calendar days.

An agreement on the extension of the job alternation leave must be made no later than two months before the end of the job alternation leave that has been agreed upon between the employer and the employee. The extension may, for example, involve an arrangement in which a job alternation leave of four months is extended to five months without any interruption between the leave and the extension.

The length of job alternation shall be no longer than 180 calendar days.

Early end of the job alternation leave and temporary return to work

An early end to the job alternation leave or the alternate's temporary return to work must be agreed upon by the employer and the alternate. The temporary return to work does not affect the duration of the job alternation leave that has been agreed upon between the employer and the employee.

The job alternation leave ends under the law if the alternate becomes eligible for a maternity, special maternity, paternity or parental allowance or is granted leave on account of pregnancy, childbirth or the care of a child during the job alternation leave, or if the alternate starts receiving a special care allowance. If the right or leave referred to above lasts for a maximum of 18 weekdays, the job alternation leave (payment of the job alternation allowance) is only interrupted and will continue after the interruption, as originally agreed.

The right of the alternate to return to his/her previous job

The alternate primarily has the right to return to his/her previous job at the end of the job alternation leave. If this is not possible, the alternate must be offered similar work corresponding to his/her employment contract or service relationship and, should this also be impossible, other work that is in accordance with the contract. The terms and conditions of a service relationship may not be changed as a result of the job alternation leave, nor may the service relationship be ended. However, this does not mean that the alternate enjoys special job security, since the employee on job alternation leave may be given notice if there are legal grounds for doing so.

EMPLOYER

Hiring a substitute

By entering into a job alternation agreement, the employer also undertakes to hire an unemployed jobseeker registered at a TE Office for the duration of the job alternation leave. The employer

does not need to employ the substitute in the same tasks as the alternate. However, the substitute must be employed by the same employer (for example, by the subsidiary in which the alternate works). A person who is considered a full-time student under the Unemployment Security Act may not be hired as a substitute.

The substitute hired by the employer shall have been unemployed for a minimum of 90 calendar days continuously or in shorter periods during the previous 14 months. Alternatively, the substitute can be a person under the age of 30, who has graduated no more than one year ago, or a person, who is under the age of 25 or over the age of 55 at the beginning of the alternation leave period.

The substitute must be registered with the TE Office as an unemployed jobseeker at the time immediately preceding the alternation leave.

The substitute must be hired on a full-time basis and work at least the same number of hours as the alternate. The job alternation leave may also involve an arrangement in which the employer, as a result of the job alternation leave, transfers to the full-time job becoming vacant a part-time worker in its employment who is registered as an unemployed jobseeker at the TE Office and seeking full-time work.

In such cases, the employer must employ an unemployed jobseeker registered at the TE Office in the part-time post that becomes vacant as a result of the arrangement. In this case, too, the

total additional working hours of the employees hired for the duration of the job alternation leave must be at least equal to the alternate's regular working hours. The employer may not hire two unemployed jobseekers as substitutes on a part-time basis.

The legal provisions on fixed-term contractual or public service employment relationships and the provisions laid down in collective agreements are applied to the substitutes. A fixed-term contractual or public service employment relationship will expire at the end of the term if notice has not been given. It is in the interest of both the employer and the employee to make the employment contract in writing.

The job alternation leave will continue as normal even if the substitute's service relationship ends before the end of the leave. However, the employer must, without delay, notify the TE Office of the essential changes in the substitute's service relationship (such as the fact that the employment relationship ended before the end of the job alternation leave). The employer must also, without delay and within two months at the latest, hire a new unemployed jobseeker for the remainder of the job alternation leave.



EMPLOYEE

Amount and payer of the allowance

The alternate is entitled to a job alternation allowance for the duration of the job alternation leave. The job alternation allowance is 70 % of the unemployment allowance that the person in question is entitled to when becoming unemployed. Child supplements or increased earnings-related allowances are not considered when calculating the allowance. The job alternation allowance is taxable income. The alternate will still be entitled to the job alternation allowance even if the substitute's service relationship ends before the end of the job alternation leave. The prerequisite is that the employer shall hire a substitute for the remainder of the period.

The unemployment allowance used as the basis for the job alternation allowance is calculated on the basis of the earned income that the alternator has received during the 52 weeks preceding the job alternation leave.

If the employee was entitled to an earnings-related allowance immediately before the start of the job alternation leave on the basis of having a membership in an unemployment fund, the allowance is calculated on the basis of the earnings-related unemployment benefits and will be paid by the unemployment fund. Otherwise, the allowance is based on the basic unemployment benefits and will be paid by Kela.

Work and other income during job alternation leave

The purpose of the job alternation leave is to help employees cope with their work and to provide unemployed jobseekers with fixed-term employment. Doing other work during the job alternation leave would therefore not be in accordance with the purpose of the scheme. Even though doing work during job alternation leave is not prohibited, earned and other income received during the leave will reduce the job alternation allowance. In such cases, the allowance is based on what is called an adjusted unemployment allowance. The alternate is not entitled to compensation for periods of full-time employment lasting for more than two weeks.

However, the amount of the job alternation allowance is not affected by the pay earned before the alternation leave and paid during the leave, against which the alternate is not granted any leisure time. This means that such compensations as holiday bonuses and performance-related pay paid during the job alternation leave do not affect the size of the job alternation allowance.

Statutory benefits reducing unemployment security (such as child home care allowance) also reduce the amount of the job alternation allowance. However, such benefits as survivor's pensions, housing allowance, family allowance, social assistance or informal care allowance do not affect the size of the job alternation allowance.

Restrictions on the right to a job alternation allowance

The alternate is not entitled to the job alternation allowance for the time he/she

- ▶ receives pay, annual holiday pay or other allowances or compensations from his/her employer, against which the alternate is given equivalent leisure time (training paid for by the employer, unless considered as taxable income, or fringe benefits that the alternate is also entitled to during the job alternation leave are not considered as pay);
- ▶ performs military or non-military service or women's voluntary military service;
- ▶ is serving time in a penal institution;
- ▶ is in full-time employment lasting more than two weeks in the service of someone other than the his/her own employer;
- ▶ is engaged in full-time entrepreneurship;
- ▶ is receiving benefits referred to in Chapter 3, section 3, subsection 1, or section 4, subsection 2, paragraphs 1–3, 5 or 6 of the Unemployment Security Act (such as sickness, maternity, special maternity, paternity, parental allowance, special care allowance or training allowance).



An alternate who spends the job alternation leave studying is not entitled to student financial aid.

Applying for the allowance

An alternation leave agreement signed by both the employer and employee shall be submitted to the TE Office responsible for the area in which the job of the employee taking leave is located before the job alternation leave begins. The employee taking the job alternation leave must provide the TE Office with details on his/her work during the 13 months preceding the leave and the full-time nature of the work before the start of the leave.

The employee must submit the application for the job alternation allowance to Kela or his/her unemployment fund. A retroactive period of three months applies to the allowance applications. Application forms are available at www.tyj.fi and TE Offices. A pay certificate for the full pay periods covering at least the 52 weeks preceding the job alternation leave and copies of the job alternation agreement must be attached to the application.

The TE Office will issue a statement on the extent to which the employment policy requirements concerning the payment of the allowance to the unemployment fund or Kela have been met; the unemployment fund or Kela will then make a decision on whether or not to grant the allowance and ensure that it is paid. The allowance will be paid retroactively on at least a monthly basis.

Further information

Kela	www.kela.fi
Federation of Unemployment Funds in Finland (TYJ)	www.tyj.fi
Finnish Centre for Pensions	www.etk.fi
Keva	www.keva.fi
Ministry of Employment and the Economy	www.tem.fi
Ministry of Social Affairs and Health	www.stm.fi

National Telephone Service in English +358 295 020 713

- advice on services provided by TE Offices
- advice on the use of online services
- directing customers to the right services

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