

# PAM Unemployment Fund

## RULES

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## 1 CHAPTER Field of activity of the Fund

### 1 § Name, registered office, operating area and language of proceedings of Fund

Then name of the Fund is the PAM Unemployment Fund, in Finnish Palvelualojen työttömyyskassa, in Swedish Servicebranschernas arbetslöshetskassa. In these rules it is referred to as the Fund.

The Fund's registered office is in the city of Helsinki and its operating area is the whole of Finland.

The Fund is an employee fund based on mutual accountability, the purpose of which is to provide benefits for its members as laid down in the Unemployment Security Act and other legislation.

The languages of the Fund are Finnish and Swedish. The language of proceedings is Finnish.

## 2 CHAPTER Membership of the Fund

### 2 § Conditions of membership of the Fund

Any paid employee covered by the scope of the Unemployment Security Act who has not reached the age of 68 years can be a member of the Fund.

A paid employee is taken to be a wage earner whose income is to be considered to be based on wage income from work performed for a third party.

A member of the Fund may not at the same time be a member of another unemployment fund.

An application to join the Fund must be made in writing to the Fund or to an agent authorised by the board. Membership is approved by the Fund manager, an official dealing with membership matters or an agent of the Fund authorised by the board.

Membership of the Fund begins from the date from which membership fees have been paid, but no earlier than the date on which the written application has been received by the Fund.

### 3 § Resigning from the Fund

If a member wishes to resign from the Fund, he or she must give notice of the matter in writing to the Fund or to an agent of the Fund authorised by the board.

Membership of the Fund ends at the end of the calendar month in which the member reaches the age of 68 years.

#### 4 § Notice, warning or expulsion from the Fund

The board of the Fund or the Fund manager or other official authorised by it may, having consulted the member, issue a notice or warning, and the board may expel from membership of the Fund a member

- 1) who has given incorrect or misleading information on joining the Fund
- 2) who has fraudulently incorrectly declared or concealed a matter affecting the receipt or amount of an allowance or other benefit paid by the Fund
- 3) who refuses to comply with the rules of the Fund.

A member who does not pay the membership fee no later than the due date of the invoice may be expelled from membership of the Fund from the date from which membership fees are unpaid. A decision to expel a member who has neglected his or her responsibility to pay membership fees is made by the Fund manager, an official dealing with membership matters or an agent of the Fund authorised by the board.

#### 5 § Re-admission to the Fund

If, having resigned from the Fund, a member joins another fund within one month, his or her period of employment and membership are credited to him or her as laid down in the Unemployment Security Act and the Unemployment Funds Act.

If an expelled member is re-admitted to the Fund, he or she may not be credited his or her previous period of membership or previously paid membership fees.

#### 6 § Membership fees

The Fund's membership fee is an annual amount in euros confirmed annually by the Finnish Financial Supervisory Authority. If a member joins, resigns from or is expelled from the Fund in the middle of a calendar month, he or she must nevertheless pay the membership fee for the whole calendar month.

The membership fee must be paid in the manner determined by the board and on the due date of the membership fee invoice determined by the board. The Fund has the right to recover a due but unpaid membership fee from an unemployment benefit or other benefit paid by the Fund.

A member who has resigned or been expelled does not have the right to get back membership fees that he or she has paid that pertain to the period prior to the date of resignation or expulsion.

#### 7 § Exemption from membership fees

A member may not be exempted from membership fees.

### 3 CHAPTER Benefits paid by the Fund

#### 8 § Benefits paid by the Fund

The Fund grants earnings-related unemployment allowance as laid down in the Unemployment Security Act and other benefits coming under the field of activity of the Fund in accordance with the legislation in force at the time.

### 4 CHAPTER Administration of the Fund

#### 9 § Governing bodies of the Fund

The governing bodies of the Fund are the meeting of the Fund and the board.

#### 10 § Meeting of the Fund

The meeting of the Fund exercises ultimate decision-making power in the Fund. The meeting of the Fund may be the ordinary meeting of the Fund or an extraordinary meeting.

Each member present at the meeting of the Fund has one vote. If the votes for an election are tied, lots are drawn. In other matters the opinion endorsed by the chairman of the meeting decides.

#### 11 § Ordinary meeting of the Fund

The ordinary meeting of the Fund is held annually by the end of November. The exact date and place of the meeting are determined by the board of the Fund. Notices of an ordinary meeting of the Fund shall be served at least two weeks before the meeting.

The ordinary meeting shall

- 1) elect the chairman of the meeting, the secretary and other meeting officials required
- 2) present the board's activity report, the income statement and balance sheet as well as the audit report
- 3) approve the financial statements of the previous year
- 4) decide on the actions warranted by the administration and the accounts
- 5) decide on granting discharge to the accountable parties
- 6) determine the fees of the members of the board and the auditors
- 7) perform the election of the chairman and members of the board as well as the auditors
- 8) determine the criteria of the membership fee
- 9) consider the other matters indicated in the notice of the meeting

A final decision may not be taken at the meeting on matters other than those above.

## 12 § Extraordinary meeting of the Fund

An extraordinary meeting of the Fund shall be held

- 1) if the board of the Fund considers it necessary
- 2) if demanded by the Finnish Financial Supervisory Authority or the auditors, if warranted by their audit
- 3) if demanded in writing by at least one tenth of the members of the Fund in order to consider a specific matter
- 4) if the number of members of the Fund has decreased below the limit further specified in the Unemployment Funds Act, an extraordinary meeting of the Fund shall be convened without delay to decide whether or not to continue the activity of the Fund and what actions are to be taken in these cases to increase the number of members or to wind down the Fund

If the board of the Fund refuses to convene a meeting of the Fund for no legitimate reason, notice shall be served by the Finnish Financial Supervisory Authority.

Notice of an extraordinary meeting of the Fund shall be served no later than five days before the meeting.

The notice of the meeting shall specify the matters to be considered. The meeting may not make a definitive decision on matters other than those stated in the notice of the meeting.

## 13 § Board of the Fund

The board of the Fund comprises the chairman, three (3) other ordinary members and three (3) general deputy members. The board elects a deputy chairman from amongst its members. The eligibility of members of the board of the Fund is specified further in the Unemployment Funds Act.

The term of office of the board is four years. The term of office of the board ends at the end of the meeting where a new election is held.

## 14 § Activity of the board

The board is convened by the chairman or, if he or she is prevented from attending, the deputy chairman or if required by two ordinary members. The board has a quorum when the chairman or deputy chairman of the board and a majority of the other members are present at the meeting place or are in attendance via remote access.

Decisions in the board are made by a simple majority of votes. If the votes for an election are tied, lots are drawn, and in other matters the position of the chairman of the meeting decides.

Minutes of board meetings shall be drawn up and they shall be examined no later than at the next meeting of the board.

The board may appoint committees or use external experts to assist or support the work of the board. The board assigns the tasks of committees or experts that it appoints separately.



## 15 § Duties of the Board

The duty of the board is to take care of the administration of the Fund and the proper organisation of its activities and to represent the Fund.

The board

- 1) convenes meetings of the Fund
- 2) checks that the affairs of the Fund are managed in accordance with the law, the rules of the Fund and the decisions of the meeting of the Fund
- 3) expels members of the Fund subject to what is said in Section 4
- 4) decides how to invest the assets of the Fund profitably and securely and draws up an investment plan for the Fund.
- 5) takes care of the organisation and development of the internal control and risk management of the Fund
- 6) appoints and dismisses the manager and other officials of the Fund, and decides on agreements regarding the employment conditions of the staff
- 7) oversees management of the register of members
- 8) submits a written statement to the meeting of the Fund on the proposals that the auditors or members of the Fund want the meeting to consider
- 9) draws up financial statements and an activity report per accounting period and makes a proposal for actions relative to the surplus or deficit of the Fund
- 10) draws up an action plan and budget for the following year
- 11) makes a proposal annually to the Finnish Financial Supervisory Authority on the amount of the membership fee
- 12) submits annually to the Finnish Financial Supervisory Authority an application concerning financial contributions pursuant to the Unemployment Funds Act
- 13) represents the Fund or speaks for it in courts of law and at other authorities
- 14) decides on taking out loans as per section 19 of the rules
- 15) if necessary grants authorisation to sign for the Fund
- 16) decides on all other matters not prescribed otherwise in laws, decrees or these rules

## 16 § Duties of the Fund manager

The responsible official of the Fund is the Fund manager, who manages the day-to-day administration of the Fund in accordance with the instructions and orders issued by the board. The Fund manager has the right to be present at the board's meetings and to speak there, unless the board decides otherwise. The eligibility of the Fund manager is further specified in the Unemployment Funds Act.

The duty of the Fund manager is to

- 1) direct and oversee the payment of benefits and other practical activities of the Unemployment Fund
- 2) prepare matters to be considered at board meetings and implement the board's decisions
- 3) take care of matters pertaining to the running of financial management and other activities
- 4) report to the board events relating to the activity of the Fund and its finances as considered necessary by the board in order to perform the board's duties
- 5) represent the Fund, with the board, and to speak for it in courts of law and at other authorities
- 6) decide on the admission of members
- 7) decide on expulsion in the cases of non-payment of membership fees
- 8) carry out other tasks assigned by the board

## 17 § Signing for the Fund

The chairman of the board or the Fund manager or other person authorised by the board is entitled to sign for the Fund.

For debt obligations, however, the chairman of the board or the Fund manager and one other member of the board must sign jointly.

## 18 § Notices of meetings and communications to members

Notices of meetings of the Fund and other communications to members concerning the Fund are published in one or more journals circulating among members or are communicated to members in another manner determined by the board.

## 19 § Taking out loans

The board of the Fund is entitled to decide on taking out loans and financing limits for the purposes of paying benefits for which the Unemployment Fund is responsible and for acquiring business premises. The board may also decide to open a credit account for the purposes of managing the Unemployment Fund's liquidity and to use financing agreements or leasing agreements for the acquisition of fixed assets.

## 20 § Financial statements

The Fund's accounting period is the calendar year. The financial statements, comprising the income statement, balance sheet, notes to the financial statements and the activity report, shall be completed within four months of the end of the accounting period.

The financial statements and related documents shall be submitted for review by the auditors at least one month before the ordinary meeting of the Fund. The auditors shall submit to the board a written audit report for each accounting period at least two weeks before the meeting of the board that is to decide on adoption of the financial statements.

## 21 § Adjustment fund

The Unemployment Fund has an adjustment fund to which the annual surplus is transferred.

## 22 § Covering a shortfall

If the financial statements indicate a shortfall, this shall be covered by using no more than 50% of the total amount in the adjustment fund.

If the shortfall cannot be covered in the manner stated in paragraph 1, the shortfall shall be covered from the assets of the unemployment funds' support fund and an extra subsidy granted from government funds.

## 5 CHAPTER Specific provisions

### 23 § Supervision of the Fund

The Fund's supervisory authority is the Finnish Financial Supervisory Authority.

## 24 § Amendments to laws, decrees and government decisions and amending the rules

If the laws, decrees or government decisions relating to the benefits paid by the Fund or the Unemployment Funds Act or Decree are amended, the board of the Fund is entitled to make corresponding amendments to these rules.

Amending these rules other than in the case stated in paragraph 1 or the winding-up of the Fund requires a decision to have been made at the meeting of the Fund by a majority of at least five sixths of the votes.

## 25 § Disposal of assets if the Fund is wound up

If the Fund is wound up, the relevant provisions of the Unemployment Funds Act shall be complied with in respect of any remaining assets.