



TIPS ON TAKING A PARENTAL LEAVE AS A SELF-EMPLOYED PERSON



ELO MUTUAL PENSION INSURANCE COMPANY

PLANNING TO START A FAMILY?

Many self-employed persons who are planning a family worry about their income during the parental leave. Issues of concern include how to secure the continuity of business activities and which benefits you are entitled to during your parental leave. Careful planning and advance preparation ensure that you can take your parental leave with a relaxed mind. **We have compiled tips in this brochure to help you prepare better for a future parental leave.**

1

YEL INCOME AND ITS IMPACT ON THE PARENTAL ALLOWANCE

- Apply for a parental allowance from Kela when you are planning for a parental leave.
- The parental allowance is determined on the basis of your annual income, which is calculated for a reference period of 12 calendar months.
- The amount is based on the confirmed income amount stated in your YEL insurance policy.
- The reference period consists of the 12 calendar months prior to the calendar month that precedes the start of the benefit entitlement.

For example:

- Your right to the parental allowance begins on 15 June 2021.
- The reference period is, therefore, 1 May 2020–30 April 2021
- If your YEL income has changed during the 12 month reference period, the average YEL income during the period will be used.



- YEL income affects the amount of your future pension and YEL insurance contributions as well as many benefits, such as the parental allowance, sickness allowance, disability pension, unemployment security and the survivors' pension. Try our YEL calculation service to see how your YEL income will affect aspects of your social security.

YEL CALCULATION SERVICE



<https://yel-laskuri.elo.fi/en>

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THINGS TO CONSIDER IN ADVANCE

- Clarify your eligibility for benefits well in advance of your parental leave.
- The parental allowance is determined by your annual income, which is based on your confirmed YEL income as a self-employed person.
- It is important to plan how your business activities will continue during your parental leave:
 - Consider whether you plan to work during the parental leave.
 - Can your business be run with its current employees or do you need to hire more?
 - Make sure that the company's financial resources are sufficient to safeguard the continuity of the business. Will you need, for example, financing or a loan?
 - It is also possible to reduce the business activities or temporarily discontinue them during the parental leave.
- Discuss with your partner whether you both intend to take the parental leave at the same time.

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- The maternity leave can begin 30–50 weekdays prior to the child's due date, and maternity allowance is paid for 105 weekdays. The paternity allowance is paid during the paternity leave for a maximum of 54 weekdays, during which the father and mother can be home at the same time for 18 weekdays.
- If you are not working during your family leave, your YEL insurance can be terminated. In this case, you will need to take a new insurance policy when you return to work.



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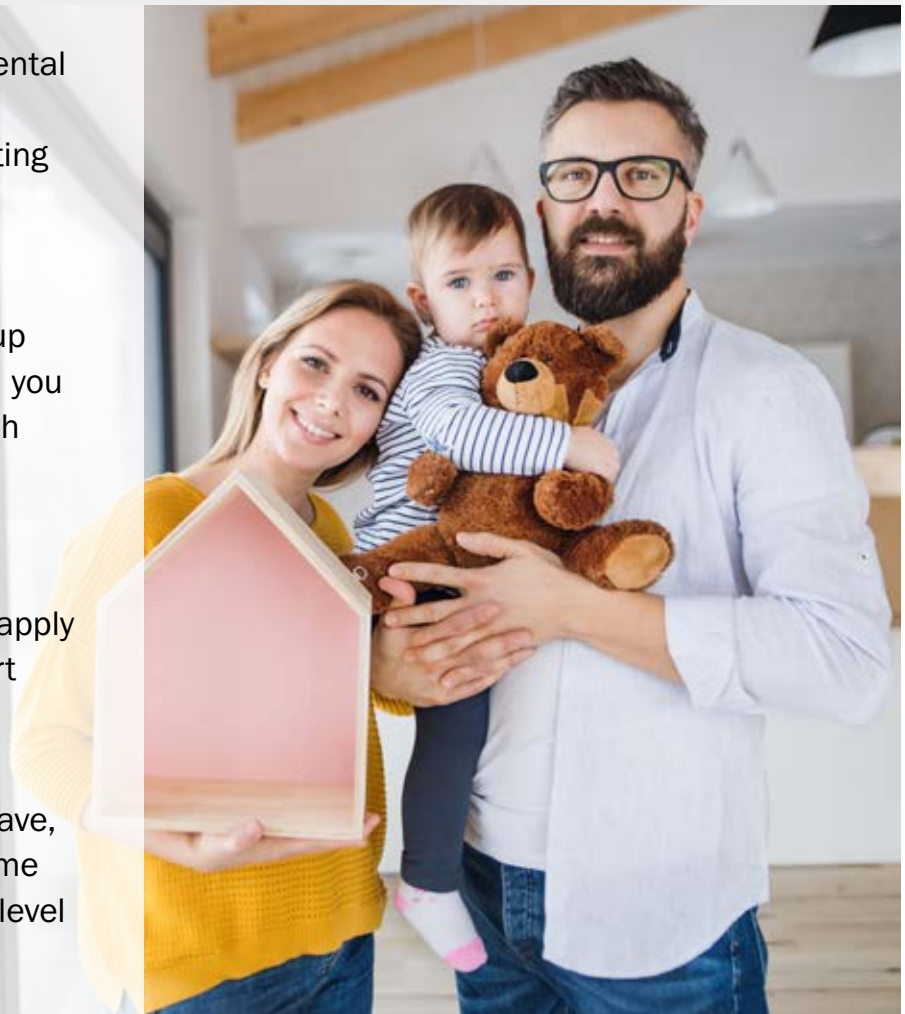
ARE YOU PLANNING TO WORK DURING YOUR PARENTAL LEAVE?

- It is possible for a self-employed person to work, at least part-time, during the parental leave.
- If the extent of the work exceeds the lower limit for YEL income, your YEL insurance policy must remain valid. It might be a good idea, however, to ensure that your YEL income is adjusted to accurately reflect your work input during the leave.
- If you work less or not at all, you can terminate your YEL insurance policy for the duration of your parental leave.

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RETURNING FROM PARENTAL LEAVE

- Returning to work after a parental leave can be stressful and challenging in terms of adjusting your workday to fit with a day-care schedule and the needs of a small child. On the other hand, new ideas may spring up during the parental leave and you might return to work with fresh inspiration and enthusiasm.
- If you terminated your YEL insurance policy during your parental leave, remember to apply for a new policy once you start working again.
- If your YEL insurance policy remained valid during your leave, just check that your YEL income still corresponds to your new level of input at work.





CHECKLIST

- ✔ Plan for your parental leave in advance
- ✔ Consider how your business activities will continue during your parental leave
- ✔ Ensure that your YEL insurance and income are up to date
- ✔ Read the current information about benefits from Kela's website

LINKS

Do you need more information about the parental leave?

Find out more from Elo's website:

- **YEL insuring in 2021**

https://www.elo.fi/self-employed-person/information-about-yel-insurance/yel-insurance-2021?sc_lang=en



- **YEL insurance affects your parental allowance and provides future security for your family**

https://www.elo.fi/elomedia--blogs-and-articles/2020/yel-insurance-affects-your-parental-allowance-and-provides-future-security-for-your-family?sc_lang=en



Use our YEL calculation service to estimate how the YEL income amount will affect your social security and insurance contributions

- <https://www.elo.fi/self-employed-person/yel-calculator>





**We can help you navigate
issues related to YEL insurance
online and by phone.**

- ▶ Visit us at www.elo.fi**
- ▶ Call us to discuss TyEL and YEL
insurance matters
+358 (0)20 694 730**

A photograph of a family in a kitchen. A woman with blonde hair, wearing a yellow sweater, is smiling and looking towards a man. The man has a beard and glasses, wearing a white shirt, and is looking down at a young child sitting on a wooden table. The child is wearing a striped shirt and has their hand near their mouth. In the background, there are white kitchen cabinets and a brown teddy bear sitting on a cardboard box.

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