ANNUAL NOTIFICATION 2014

INSTRUCTIONS ON COMPLETING THE ANNUAL NOTIFICATION FORM

An annual notification should be made for each TyEL insurance policy on an annual basis by the end of January of the year following the year of notification.

An annual notification can be made

- through Online services at **www.elo.fi/verkossa** (in Finnish)
- through the TYVI service.

The annual notification should include the realised TyEL payroll information for all employees covered by the insurance policy for the year in question, and any changes that may have been made to the employments covered by the policy.

On the basis of the annual notification, an annual calculation is made for the TyEL insurance. For the annual calculation, the realised payroll is compared to the initial estimate for the payroll. The result of the calculation is the final TyEL insurance contribution for the year in question.

If the annual notification is not submitted on time, the annual calculation will be carried out in accordance with the initially estimated payroll and an increase will be added to the insurance contribution.

Each employee's pension is also calculated on the basis of the information provided in the annual notification. Therefore, it is essential that the information provided be accurate and submitted in a timely fashion.

What information should I submit?

The annual notification form should include all employees covered under this TyEL insurance policy, and their paid wages. You should not include any persons covered under YEL insurance (Self-Employed Persons' Pensions Act) in the annual notification form.

Under the Employees' Pensions Act (TyEL), the employer shall insure an employee, aged 18–67 years, whose monthly earnings exceed 56.55 euro during 2014. The duration of the employment or field of the employee has no effect on the insuring process. All work done alongside pension shall be insured, and all wages reported, regardless of the pension type.

The obligation to insure under TyEL begins at the start of the calendar month following the employee's 18th birthday. If the employee turned 18 during his/her term of employment, the obligation to insure begins once the wages have been paid after the month in which the employee turned 18, even though it would have been earned for part of the previous month.

The obligation to insure continues to the end of the month in which the employee turns 68. After this point, pension is no longer accrued, and no pension contributions will be withheld. For this reason, the TyEL employment relationship shall be reported to have ended at the end of the month in which the employee turns 68 and the wages will be notified up until the same date, even if the employment relationship continues beyond that date.

Termination of a TyEL employment

The period of notice is included in the TyEL employment period regardless of whether the employee is working for the employer during the period of notice or not. The earnings for a maximum of six months shall be taken into account in accordance with the law on employment contracts. A TyEL employment will end at the latest when the employment relationship ends in terms of labour law. The termination date of the employment shall be entered in the annual notification.

Lay-offs

In accordance with labour legislation, employment is considered as continuing during lay-offs. An employee must be given notice in order for an employment to end during a lay-off period. The employee is entitled to give notice concerning the end of his/her employment at any time during the lay-off period, regardless of the term of notice.

If the employee is laid off for longer than one year, the employment shall end on the last date for which salary was paid prior to the lay-off period. However, if the employee takes his/her annual holiday in one or more parts during the lay-off period, but before one year has passed from the start of the lay-off period, the employment ends on the last salaried date of the annual holiday. If the holiday pay is paid as holiday remuneration without a specified annual holiday leave, the employment ends on the payment date.

When the employee returns to work after being laid off for longer than one year, a new employment begins. If the employment ends during the lay-off period and the employee is not working during the period of notice, that employee is entitled to compensation for the loss of salary or part thereof during the period of notice. This compensation is not included in TyEL wages and should not, therefore, be included in the annual notification. Even if the employment ends as a result of the employee giving notice, the employment officially ends on the last date when the salary is paid in accordance with the aforementioned rules. The compensation is considered to be a compensation for damage and is not included in the TyEL wages.

Earnings

TyEL wages include monetary wages and fringe benefits. The wages shall be notified in euros and cents, without deducting the employee's employment pension contribution. All earnings paid as remuneration for work are included in the TyEL wages, also the holiday remuneration paid at the end of the employment. TyEL wages are notified as earnings for the calendar year in which they were paid.

The table on the next page shows which of the employees' earnings are included in TyEL wages and should, therefore, be included in the annual notification.

Additional employments

TyEL employments that were valid during 2014 but are missing from the annual notification shall be added to the annual notification.

Transfer from one pension group or department

If an employee has transferred from one pension group/department to another during 2014, the TyEL wages will be included in the annual notification of the new group/department from the date of transfer, since a separate annual notification form shall be completed for each pension group/department.

More information about TyEL insurance is available from our website at **www.elo.fi**.

WHICH EARNINGS ARE INCLUDED IN THE ANNUAL NOTIFICATION?

EARNINGS	IS IT CONSIDERED TYEL WAGES?
Initiative fee • if related to work and work contribution • if comparable to e.g. an invention and based on cost benefit	 **Yes** **No**
Grant	**No**
Bonus/Payment by result	**Yes**
Thesis/Dissertation • done in an employment relationship • not in an employment relationship	 **Yes** **No**
Employee benefit, e.g. employee discount or interest rate benefit	**No**
Salary for the period of notice • at most for the statutory period, also when paid without obligation to work • paid as compensation for a period longer than the period of notice (severance pay, golden handshake, support package) • compensation for illegal dismissal or dissolution of employment • compensation for dismissal during lay-off (no obligation to work)	 **Yes** **No** **No** **No**
Compensation for inventions	**No**
Writing, lecturing or presentation fee • if related to own work • if not related to work	 **Yes** **No**
Compensation for expenses or as a result of performing work duties, e.g. daily allowance, subsistence allowance, kilometre allowance, work clothing or work tool allowance • amounts in accordance with the instructions of the National Board of Taxes • for those amounts that are liable to taxation, and which have not been agreed upon in the collective agreement.	 **No** **Yes**
Gift • additional salary items, e.g. Christmas bonus, salary for 13th month, bonus for years in service • ordinary item or monetary gift given to the employee on a special day	 **Yes** **No**
Holiday bonus, start-of-holiday bonus, end-of-holiday bonus, increase of holiday pay or similar	**Yes**
Holiday remuneration • annual holiday remuneration paid during and at the end of an employment	 **Yes**
Fringe benefits • housing benefit, company car, telephone benefit, lunch benefit and similar according to taxable value or, if one is not available, according to current value	 **Yes**
Fees for positions of trust • in employment with the payer of the fee • paid to the voluntarily insured • not in employment and not voluntarily insured	 **Yes** **Yes** **No**
Pay for waiting period	**No**
Wages paid for apprenticeship or training period	**Yes**
Options and synthetic options	**No**
Share reward • when the value of the benefit depends on the development of the value of shares, and there is a period of at least one year between the promise of the reward and the receipt of the benefit	 **No**
Distribution of dividend, profit share	**No**
Wage increments and raises • e.g. seniority increment, compensation for years in service, increment for circumstances, shift work, evening work, night work, or to good employees • compensation for overtime, Sunday work, weekly rest, and increment paid for on-call work and downtime work • stand-by, midweek holiday or free shift compensation, and monetary compensations for extra holidays	 **Yes** **Yes** **Yes**

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WHICH EARNINGS ARE INCLUDED IN THE ANNUAL NOTIFICATION?

EARNINGS	IS IT CONSIDERED TYEL WAGES?
Wage security	**Yes**
Service charges, tips from the public as per taxation	**Yes**
Basic wages • hourly or monthly wage, piecework pay, piecework basic pay, etc.	**Yes**
Commission	**Yes**
Recruitment fee, hint fee • paid to an employee in an employment relationship • paid to an outsider	**Yes** **No**
Royalties, compensation for use	**No**
Sickness pay, paid by the employee	**Yes**
Additional daily allowance paid by a sickness fund	**No**
Endowment insurance • share of payments of voluntary pension insurance or endowment insurance taken by the employer for the employee subject to tax withholding, excluding life insurance	**Yes**
Production fee, production increment	**Yes**
Practical training, if the employee is in an employment relationship	**Yes**
Practical training, work trial, working life trial if on labour market allowance; no employment relationship	**No**
Total wages of an employee hired on employment subsidy employment subsidy, combined subsidy	**Yes**
Commuter ticket benefit for the taxable share	**Yes**
Supplementary daily allowance from workplace fund	**Yes**
Pensionable earnings for an employee posted abroad • those with obligatory insurance • those with voluntary insurance	**Yes** **Yes**
Profit sharing fee • withdrawn in cash from a personnel fund	**No**
Profit share, profit distribution share, etc.	**No**

ASK FOR MORE INFORMATION

Insurance services
Weekdays
8–16.30

If your insurance policy number begins with 44- or you have previously been a customer of Pension Fennia:
Tel. +358 (0)20 694 733

If your insurance policy number begins with 54-, 42-, 180-, 182-, 280-, 380- or 382-, or you have previously been a customer of LocalTapiola Pension:
Tel. +358 (0)20 694 730

Elo Mutual Pension Insurance Company

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