



# **TYEL INSURANCE EMPLOYER'S GUIDE 2021**





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## Employees in the private sector are insured for pension with a TyEL insurance policy

It is the duty of private sector employers to arrange statutory pension cover under the Employees Pensions Act (TyEL) for all employees with a TyEL insurance policy. TyEL insurance accrues pension for the employee and provides financial security when one's earned income ceases due to old age, work disability or the death of a family provider.

An employer is obligated to take insurance for employees after the initial payment of salary or wages and before the due date by which the earnings information must be reported to the Incomes Register (essentially within 5 days from the salary payment day). An employee shall be insured under TyEL insurance if the employee

- is between the ages of 17–68 and
- earns at least €61.37 per month in 2021. If the monthly earnings fall below this limit, the insuring is voluntary

The obligation to insure under TyEL begins at the beginning of the calendar month following the employee's 17th birthday and continues to the end of the month in which the employee turns 68.

Generally, all work performed in Finland shall be insured. An exception may be an employee posted in Finland who has the relevant certificate. Further, the earnings of a person employed by a Finnish company and working abroad as a seconded employee are covered by the Finnish earnings-related pension insurance scheme.

### Pension insurance for positions of trust

Positions of trust include memberships of supervisory boards, advisory boards and management boards, as well as positions of trust in labour market organisations and non-profit-making organisations. A person in a position of trust who is at the same time employed by the payer of the remuneration must always be covered by a pension insurance also as regards to the position of trust. If a person in a position of trust is not in an employment relationship with the payer of the fee, the choice to cover that individual with TyEL insurance is voluntary and is handled through a separate TyEL policy.

For insuring a position of trust alone, a separate TyEL application must be filled out. The normal age and earnings limits applied to TyEL insurance policies are also applied to positions of trust. The payer also withholds the employee's share of the pension contribution from the remuneration paid for the position of trust.

### Insuring an employee posted abroad by a Finnish company

Before an employee goes on a secondment, the employee's and accompanying family members' Finnish social security cover should be established, which includes:

- work-based benefits, i.e., earnings-related pension insurance and employer's liability insurance
- residence-based benefits granted by the Social Insurance Institution (Kela), such as survivor's pension, maternity and paternity allowance, child allowance, sickness allowance, as well as costs of medical treatment.

The validity of social security benefits is affected, among other things, by:

- whether or not Finland has a social security agreement with the posting destination
- the duration of the secondment
- whether or not the employee can be considered as a seconded employee.

### Pensionable earnings safeguard the pension level

In employment abroad, the earnings forming the basis of pension are called pensionable earnings. Pensionable earnings are also the basis for pension contributions. Irrespective of the country of posting, it applies to the work of employees posted abroad from Finland and insured in accordance with the Finnish Employees Pensions Act and Employment Accidents Act.

The employer and the employee must jointly determine the amount of pensionable earnings before the start of the secondment. It is advisable to always specify the pensionable earnings in euros in the secondment agreement. The employer must notify the amount of pensionable earnings to Incomes Register by submitting payroll reports.

Pensionable earnings cannot be freely agreed on; they must be in accordance with the Employees Pensions Act. As a rule, pensionable earnings must be equivalent to the wages or salary that would be paid for similar work in Finland. The intention of this is to guarantee the employee a pension corresponding to the Finnish level.

### Residence-based benefits

As a rule, a person residing in Finland remains covered by Kela benefits if the duration of working or residing abroad is a maximum of one year. Kela must, however, always be notified of any period of working or residing abroad, as well as of the return to Finland.

For more information about insuring persons working abroad, please contact our customer service or the Finnish Centre for Pensions.

**Do you feel lost in the TyEL and YEL jungle?  
We'll help you navigate the ins and outs of  
pension insurance.**

## Who is a contract employer and who is an occasional employer?

An employer must enter into an insurance contract if it permanently employs at least one employee or if the total wages or salaries paid to fixed-term employees amount to at least €8,790 in six months. A contract employer that has arranged an insurance contract with Elo is entitled to TyEL client bonuses. The insurance contract can be made online at [www.elo.fi](http://www.elo.fi).

If an employer has no permanent staff and the total payroll over a six-month period is less than €8,790, the employer does not have to enter into an insurance contract (i.e., the employer may act as a so-called occasional employer).

Occasional employers must submit salary reports to the Incomes Register in the same manner as contract employers. In order to submit the report, occasional employers must have:

- Elo's pension provider code, which is 54
- Depending on the reporting method, the employer may also need the technical pension policy number, which, at Elo, is 54-0000000U.

The employer cannot simultaneously be both a contract and an occasional employer. A contract employer shall also report any temporary employments as included in the TyEL insurance policy.

## TyEL contributions in 2021

All insurance companies determine the TyEL contribution using the bases confirmed by the Ministry of Social Affairs and Health. The entire contribution is collected from the employer and the employer withholds the employees' shares of the contribution from their wages or salaries.

**For contract employers, the TyEL basic contribution is 24.80 % of the payroll amount.** If the employer's payroll for 2019 was a minimum of 2,125,500 €, the insurance contribution will be affected by the premium category for the disability contribution and the premium loss discount. The contract employers will receive Elo's client bonuses once per year and they will be taken into account in the future contribution payments.

**For occasional employers, the TyEL contribution is 24.80 % of the payroll amount.**

## The employee's share of the TyEL contribution

Employees pay part of their own employment pension security. The employer withholds the employee's share from the monthly earnings.

The employee's share of the contribution for 2021 is

- 7.15% of the salary or wages for employees between the ages of 17–52 years
- 8.65% of the salary or wages for employees between the ages of 53–62 years
- 7.15% of the salary or wages for employees who have turned 63 years.

The employer withholds the employee's share of the TyEL contribution on behalf of all employees whom the employer is responsible for insuring on the date when the wages or salaries are paid. The date on which the wages or salaries are paid also determines the applicability of the higher payment percentage for the employee's share of the contribution.

The employer also withholds the employee's share of the contribution from the wages or salaries of those working alongside pension. An employer may withhold a pension contribution retroactively in connection with the following two wage or salary payments, but only if it has not been withheld earlier due to a clear error.

See the tables on pages 9–11 to find out which payments are included in the TyEL wages of your employees and must, therefore, be included as earnings in the pension insurance policy.

## How do employers submit their payroll reports?

All employers, including occasional and contract employers, must submit payroll reports to the Incomes Register within, as a rule, five days from the salary payment date. Elo will retrieve the payroll information from the Incomes Register for the purpose of calculating the TyEL contributions.

Reports can be made to the Incomes Register in three ways:

1. Via a technical interface -> Automated reporting from the employer's own payroll system:
  - The payroll system must be compatible with the Incomes Register, which means that all data must be in XML format and the income type codes must be compatible.
  - No separate log-in process is required for the submission of payroll information. The connection to the Incomes Register is generated by means of a certificate that is applied for in advance from the Incomes Register.
2. Through the e-service
  - Log in through the [incomesregister.fi](http://incomesregister.fi) website and authenticate with your personal online banking codes, a mobile certificate, or a FINeID certificate for organisations or private citizens.
  - Logging in requires an authorisation provided through either the Suomi.fi service.
  - Reports can be submitted:
    1. Using an upload service in which the information is uploaded as an XML formatted file.
    2. Using an online form in which the necessary information is entered manually.
3. By paper form (under special circumstances only)
  - Special circumstances can be regarded as situations in which the electronic submission of the information could not reasonably be required, such

as when a natural person, a decedent's estate, or a temporary or foreign employer does not have the possibility to submit information electronically. The form is available online at: [www.incomesregister.fi](http://www.incomesregister.fi)

It is possible to continue to use the Palkka.fi payroll calculation service, whereby the information will automatically be transferred to the Incomes Register.

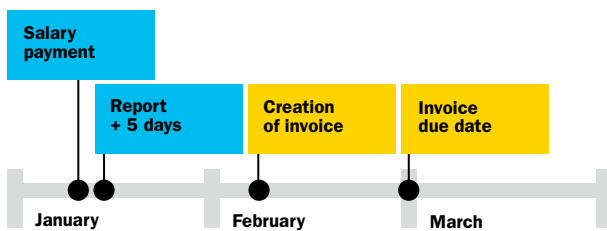
In order to submit the report, a contract employer will need:

- Elo's pension provider code, which is 54
- The pension policy number, which is the same as Elo's TyEL insurance policy number

In order to submit the report, an occasional employer will need:

- Elo's pension provider code, which is 54
- Depending on the reporting method, the employer may also need the technical pension policy number, which, at Elo, is 54-0000000U.

### Due dates and insurance contribution interest rate for TyEL contributions



For each salary payment month, the TyEL contributions have a theoretical due date, which is the last day of the month following the salary payment month.

Payments no later than the theoretical due date will not be affected by the insurance contribution interest rate (2% in 2021).

Elo's invoices will also have a due date, which is the same as the theoretical due date, for each specific salary payment month.

For example, salary reports for January will carry a due date of 28 February, which is also the theoretical due date for all of January's invoices.

### TyEL invoice payment methods

TyEL contributions are generated on the basis of the payroll information submitted to the Incomes Register. Elo offers three ways to pay the invoices for TyEL contributions:

- 1. One invoice per month** = Elo's invoicing system will compile all the contributions for a particular month into a single invoice.
- 2. Invoices for each payroll report** = An individual invoice will be sent for each report submitted to the Incomes Register.

**3. Payment in advance** = The employer can agree with Elo to pay its TyEL contributions in advance (e.g., for the whole year or biannually) as based on an estimated TyEL contribution sum. Elo's invoicing system will apply the paid funds to set off future invoices based on the payroll information from the Incomes Register, and the customer will receive a copy of the invoice marked as paid.

**With regard to this payment method, please note that any sum paid in advance will not provide any interest benefit based on the insurance contribution interest rate.**

The default payment method for all TyEL insurance policies is option **1) One invoice per month**.

The payment method can be changed by contacting Elo's Insurance Services.

### The impact of changed company form or ownership on insurance

Changes in the form or ownership of the company can have an effect on the company's pension insurance policies. Elo should always be informed, in an informal notification, of any changes in the company.

#### Change of company form

A change of company form refers to a situation in which

- a sole trader is turned into a company
- a partnership is turned into a limited partnership or a limited liability company,
- a limited partnership is turned into a limited liability company.

If the company's business ID changes, the existing TyEL insurance policy must be terminated. A new company that continues the business activities shall take a new insurance policy, if the company has no previously existing policy.

If the business ID does not change, Elo will update the company's details under the TyEL insurance policy as of the date of registration.

If your activities under a private trade name continue in the form of a company, you must take a new TyEL insurance policy. The employees will transfer to the employment of the new company.

#### Changes in ownership

The TyEL insurance shall always be terminated when a private sole trader sells his or her business.

Elo must be informed of any changes concerning the partners in partnerships and limited partnerships. These changes will not, however, affect the validity of the insurance policy.

Changes concerning the shareholders of limited liability companies do not need to be reported, unless the change affects a company belonging to a group or a shareholder within the sphere of the YEL insurance.

## Mergers and demergers

The TyEL insurance policy shall be terminated when a limited liability company merges with another company. Employees are insured under the TyEL insurance policy of the receiving company after merger.

New TyEL insurance policies shall be initiated for companies formed from a demerger. Employees are insured under new TyEL insurance policies after demerger.

## Transferring TyEL insurance to Elo

An insurance policy with another pension insurance company can be transferred to Elo as of the first day of January, April, July or October by submitting a transfer application to our company three months before the said date. The insurance policy cannot, however, be transferred until the insurance has been valid in the previous pension insurance company for a minimum of one year. A transfer application form is available at [www.elo.fi](http://www.elo.fi).

If a company has TyEL insurance policies in several different companies, these policies can be transferred and combined into a single TyEL policy in Elo. This makes management of the insurance policies easier.

## Closure of business operations

An employer may terminate a TyEL insurance policy, if the operations of the company are closed down or the employer no longer has employees covered by TyEL. You can notify Elo of the termination of an insurance policy

- through the online service at [www.elo.fi](http://www.elo.fi),
- by calling our customer service, or
- by submitting a written notification.

## Elo's services

Elo offers its client companies a diverse range of financing and work ability management services. The aim of vocational rehabilitation is to prevent work disability by facilitating the employee's ability to continue at work despite an illness, injury or other similar issue.

## Financing services

Together with other financiers, Elo offers its customer companies various financing solutions for company growth and internationalisation, corporate acquisitions and restructuring, as well as investments.

Elo's financing solutions include growth loans, loans for small and medium-sized companies and premium loans. We also offer mezzanine financing and direct equity investments. Elo works with its customers to find the optimal overall financing solution to suit their needs.

The loans may be granted with either a floating or fixed interest rate. The applicable reference rates include the daily-quoted TyEL reference rate, Euribor rates or, for TyEL premium loans, the TyEL loan interest rate.

The TyEL interest rate is the market interest rate quoted daily by Garantia Insurance Company, and it can be checked, for example, from Garantia's website at [www.garantia.fi](http://www.garantia.fi).

Additional information is available at [www.elo.fi/employer/corporate-financing-services](http://www.elo.fi/employer/corporate-financing-services).

## Work ability management services

The aim of Elo's work ability management services is to enhance the work ability of the personnel in our client companies and ensure that they are able to remain in working life as long as possible. We support companies' management and HR personnel in creating action models and processes that advance work ability, we further enhance our customers' competence and, above all, we increase knowledge and understanding concerning work ability matters.

Our services and expert support will help the company to better control costs due to sickness leaves and to reduce the risk of disability. Successful work ability management facilitates the personnel's capacity to function in a manner that contributes to the achievement of the company's overall business objectives.

Our work ability management services include:

- Work ability management tools in Elo's Online Service (assessment of current situation, project plan)
- Work ability risk indicator
- Work ability management training and webinars
- Work ability management guides

Through our work ability management services, we endeavour to have a positive impact, but it requires that the client company is also committed to the implementation and ongoing development of measures that promote work ability. We work closely with company management and HR to advance systematic HR management and develop the company's daily management and supervisory work.

Read more about our services at [www.elo.fi/employer/work-ability-management-services](http://www.elo.fi/employer/work-ability-management-services)

Contact our experts by sending email to [tyokykyjohtaminen@elo.fi](mailto:tyokykyjohtaminen@elo.fi)

## Vocational rehabilitation

Vocational rehabilitation will benefit both the employer and employee. The aim is to enable an employee to continue in working life despite a disability caused by an illness. Early recognition of the need for and timely initiation of rehabilitation may prevent or delay a person's retirement on disability pension. Correspondingly, the disability pension expenditure will reduce in the long run.

An employee insured under TyEL is entitled to vocational rehabilitation within the earnings-related pension scheme if he or she has a diagnosed illness, handicap or disability that threatens to lead to a disability pension in the near future (threat of disability). Furthermore, the insured should have an occupational qualification obtained through work or training, minimal earnings of €36.820.43 from the

previous five years, and an established position in working life. The assessment of the relevance of rehabilitation takes into account the employee's age, education, profession, earlier activities, established position in working life and whether the vocational rehabilitation in question is likely to lead to staying on at work or returning to work.

An individual's right to vocational rehabilitation will be assessed on the basis of a relevant application and the required medical statement or, at the latest, in conjunction with the handling of the application for disability pension and/or continued rehabilitation benefit. If an employee is entitled to vocational rehabilitation and its implementation is considered currently relevant, the person will, after receiving the disability pension decision, also receive a preliminary decision concerning the rehabilitation without the need to submit a separate application.

#### What is vocational rehabilitation?

- work trials, when the suitability of a new job is being assessed or the rehabilitee is switching jobs, or when support is needed for returning to work after a long sick leave
- job coaching to learn a new job
- courses and additional or supplementary training to develop skills required in a new job that is suitable for the person's health.

For more information on vocational rehabilitation, please call +358 20 694 717.

### Employee's pension security

Earnings-related pension is an important part of the safety net of employees.

#### Accrual of pension

Employees accrue pension from the annual earnings:

- 1.5% for those aged 17–53 years
- 1.7% for those aged 53–62 years (during the years 2017–2025) and
- 1.5% for those over 63 years

Pension is accrued from work done alongside pension at a rate of 1.5% of annual earnings, regardless of employee's age. This does not, however, concern those receiving partial old-age pension for whom pension accrues in accordance with age-related accrual percentages.

An employee's pension accrues from annual earnings that are increased with the wage coefficient to the level of the retirement year.

If the employee does not retire at the lowest pensionable age, the amount of the old-age pension will be increased by the increment for deferred retirement. The increase for deferred retirement equals 0.4% for each month that follows the minimum pensionable age. Additionally, the employee will receive the normal pension accrual from annual earnings up until the highest pensionable age.

In addition to working, subject to certain preconditions, pension is also accrued during unpaid periods, such as child care leave, unemployment, studies or illness. More information on the accrual of pension during unpaid periods is available at [www.elo.fi](http://www.elo.fi).

### Pension types

The different types of pensions and their age limits are presented below. More information on pensions is available at [www.elo.fi/pension](http://www.elo.fi/pension) (in Finnish).

#### Old-age pension

Once you have reached the earliest pensionable age for old-age pension, you will be free to choose the date of your retirement. The employment relationship must end before one begins to receive old-age pension.

#### Minimum pensionable age for the different age classes:

63 years, 3 months	for those born in 1955
63 years, 6 months	for those born in 1956
63 years, 9 months	for those born in 1957
64 years	for those born in 1958
64 years, 3 months	for those born in 1959
64 years, 6 months	for those born in 1960
64 years, 9 months	for those born in 1961
65 years	for those born in 1962–1964

The pensionable age for those born in 1965 or later will be specified in the year when the individual turns 62.

While receiving an old-age pension, it is possible to work freely without any earnings limitations, but the work must be insured and it will accrue additional pension up until the maximum age for mandatory TyEL pension insurance coverage.

#### Partial early old-age pension

At the age of 61, an employee may opt to have either 25% or 50% of the accrued pension paid out as partial early old-age pension.

The employee can independently decide whether or not to continue working alongside pension; the earned wages or amount of work done are not monitored and will not impact on the amount of partial early old-age pension.

#### Disability pension

Employees are entitled to disability pension if they become ill and are unable to stay on at work despite rehabilitation. The employee's ability to work must have been reduced due to an illness, disability or handicap in such a way that he or she will be unable to work for a period of at least one year. A disability pension can be granted for a fixed period or until further notice. If the employee retains some ability to work, he or she can be granted a partial disability pension. Medical statement B must be enclosed with the disability pension application.

The possibilities for vocational rehabilitation are also always clarified in connection with the processing of a disability pension application. If the criteria for vocational rehabilitation are met, the applicant will be issued an advance decision on vocational rehabilitation in connection with the decision on the disability allowance or rehabilitation support.

### Career pension

Career pension enables those doing particularly strenuous work to retire at the age of 63, if such persons have been working a minimum of 38 years, with minimal exceptions, and they have a reduced work ability.

### Survivors' pension

Survivors' pension provides security to the family in the case of death. A survivors' pension can be paid to the surviving spouse, partner in a registered relationship and children under 18 years of age. Survivors' pension is affected by the widow's or widower's personal earnings or pension.

### Working while on earnings-related pension

A person receiving an earnings-related pension can also work during retirement. Those on old-age pension do not have any earnings limits. Also those on other types of pension can work, as long as their income does not exceed the earnings limits specified below.

Pension type	Earnings limit 2021
Old-age pension	No earnings limit
Partial early old-age pension	No earnings limit
Disability pension	40% of the previous established average earnings (however, at least €837.59)
Partial disability pension	60% of the previous established average earnings (however, at least €837.59)

### Applying for pension

Before applying for pension, it is a good idea for the employee to read about the different pension options and related requirements as well as about pension accrual from our website at [www.elo.fi/pension](http://www.elo.fi/pension). The employee can obtain an estimate of the future pension amount from Elo's Online Pension Service.

It is easy to apply for pension through Elo's Online Service. The employee should submit the application for pension approximately two weeks before the desired date of retirement. The same application form can be used to simultaneously apply for both an earnings-related pension and a national pension.

Log in to Elo's Online Pension Service at [www.elo.fi/pensionservice](http://www.elo.fi/pensionservice).

When an employee is retiring, the employer must notify the Incomes Register about the earnings and the end date of the employment relationship.



## Which payments are included in the TyEL earnings?

Wages, salaries or other payments	Included in the TyEL earnings?
<b>Initiative rewards</b>	
• connected with work included in the employment contract	<b>YES</b>
• separate from work performance, not connected with daily work, or is comparable to long-term development work or invention	<b>NO</b>
<b>Bonus, merit pay</b>	<b>YES</b>
<b>Earnings alongside a pension</b>	
• The earnings are reported up until the end of the month when the employee turns 68.	<b>YES</b>
<b>Personnel benefits</b>	
• for example, personnel discounts, free or discounted travel, personnel loans granted at a reduced rate of interest, cultural, sports and recreational vouchers.	<b>NO</b>
<b>Personnel funds</b>	
• profit share payments made into the personnel fund and fund units drawn by a member; profit-share units drawn in cash	<b>NO</b>
<b>Pay during notice period, damages, compensation at the end of an employment relationship not based on law</b>	
• for the statutory period of notice (a maximum of six months)	<b>YES</b>
• special period of notice (bankruptcy and restructuring situations, 14 days)	<b>YES</b>
• period exceeding six months	<b>NO</b>
• compensation for failure to comply with the period of notice	<b>NO</b>
• compensation for wrongful dismissal	<b>NO</b>
• compensation for unlawful cancellation of an employment contract	<b>NO</b>
• compensation (corresponding to the notice period pay) to a person resigning or dismissed during a layoff (when the person is not working during the period of notice)	<b>NO</b>
• voluntary or contract-based compensation for terminating an employment contract	<b>NO</b>
• golden handshake or redundancy pay	<b>NO</b>
<b>House manager's fees</b>	
• The fees are reported on the property management company's annual notification even if they have been paid directly to the house manager by the housing company (substitute payer)	<b>YES</b>
<b>Inventions</b>	<b>NO</b>
<b>Writer's fees</b>	
• the employee has written for a publication or personnel magazine published by the employer	<b>YES</b>
• articles written independently for other magazines	<b>NO</b>
<b>Commission</b>	<b>YES</b>
<b>Home care subsidy</b>	
• Wages paid by a family to a childminder in an employment relationship and private day care allowance paid directly by the Social Insurance Institution (Kela). If it has been contracted that the childminder's wages are partly comprised of the private day care allowance and the additional municipal supplement, the municipal supplement is included in the pensionable earnings, even if the municipality paid it directly to the childminder.	<b>YES</b>
<b>Compensation for expenses</b>	
• e.g., per diems received for a business trip, compensation for meals, work clothes, work equipment, or moving costs	<b>NO</b>
• when the compensation paid exceeds the actual expenses and the excess is considered as wages in payroll taxation	<b>YES</b>

<b>Wages, salaries or other payments</b>	<b>Included in the TyEL earnings?</b>
<b>Profit share paid in cash</b>	
• paid to the entire personnel	<b>NO</b>
• paid to a certain limited personnel group or certain individual workers	<b>YES</b>
<b>Translation fees</b>	
• if the translator is in an employment relationship	<b>YES</b>
• if the translator is not in an employment relationship	<b>NO</b>
<b>Gifts</b>	
• customary gifts of an object or money (birthday or other personal reason)	<b>NO</b>
• compensation or gift granted on the basis of service years	<b>YES</b>
• money given as gifts or due to a special occasion, which the employer pays its employees in accordance with an agreement or established practice (e.g., Christmas bonus or 13th month's wages)	<b>YES</b>
<b>Lecture and talk fees</b>	
• for work performed in an employment relationship	<b>YES</b>
• individual fees that have not been received in an employment relationship	<b>NO</b>
<b>Fringe benefits</b>	<b>YES</b>
<b>Fees for positions of trust</b>	
• the person is in an employment relationship with the company at the same time	<b>YES</b>
• the person is not in an employment relationship with the company:	
- The employee has been insured voluntarily. In this case, employee's pension contribution is withheld from the fee.	<b>YES</b>
- The employee does not have voluntary insurance cover.	<b>NO</b>
Voluntary insurance can be taken out for the position of trust retroactively, at the earliest from the start of the preceding calendar year.	
<b>Waiting-period pay</b>	
• when an employee's wage payment has been delayed; a payment comparable to an interest	<b>NO</b>
<b>Wage and salary receivables confirmed with a court judgement</b>	
• to the extent they would be taken into account if paid by the employer	<b>YES</b>
<b>Graduate thesis, Master's thesis</b>	
• compiled during an employment relationship	<b>YES</b>
• not compiled during an employment relationship	<b>NO</b>
<b>Wages during apprenticeship or training</b>	<b>YES</b>
<b>Options</b>	
• Right of option granted before 31 December 2020	<b>NO</b>
• Right of option received and exercised after 1 January 2021	<b>YES</b>
<b>Equity issue</b>	
• if concerning the majority of the personnel	<b>NO</b>
• if only concerning a part of the personnel (not a question of a personnel benefit but compensation for work performed)	<b>YES</b>
<b>Share incentive</b>	
• compensation paid on the basis of share incentive schemes, if the share incentive scheme is comparable to other merit pay schemes as regards their criteria	<b>NO</b>
• if the value of the benefit is dependent on the development of the share value and there is a minimum of one year between promising the reward and receiving it	<b>YES</b>
<b>Dividends and profit share</b>	
• profit share or dividend received by a shareholder covered by TyEL	<b>YES</b>
• payments made as wages or salaries	<b>NO</b>

<b>Wages, salaries or other payments</b>	<b>Included in the TyEL earnings?</b>
<b>Wage and salary increments and increases</b>	
• for example, seniority increment, increment for inconvenient working hours or conditions, extra compensation for shift work	<b>YES</b>
• for example, compensation for years of service, weekly rest, stand-by, midweek holidays or free shifts	<b>YES</b>
• days off paid in money	<b>YES</b>
<b>Service charges, tips</b>	<b>YES</b>
<b>Bike benefit</b>	
• paid as a fringe benefit, taxable share	<b>YES</b>
• paid as part of overall wages, tax-exempt and taxable shares	<b>YES</b>
<b>Basic wages or salary</b>	<b>YES</b>
<b>Commission</b>	
• commission less expenses (i.e., taxable commission)	<b>YES</b>
• an employee working on commission only, not in an employment relationship but working as an entrepreneur	<b>NO</b>
<b>Recruitment reward, tip reward</b>	
• paid to a person in an employment relationship with the company	<b>YES</b>
• paid to an external provider of a tip	<b>NO</b>
<b>Royalty, fee for a right of use</b>	<b>NO</b>
<b>Sick pay and sickness allowance</b>	
• sick pay	<b>YES</b>
• daily allowance in accordance with the Health Insurance Act	<b>NO</b>
• supplementary daily allowance paid by the employee sickness fund	<b>YES</b>
• continued daily allowance paid by the employee sickness fund	<b>NO</b>
• sickness benefit (voluntary)	<b>NO</b>
<b>Wages paid by a substitute payer</b>	
• bankruptcy estate, protection of wages authorities or other payer (the pay is reported under the factual employer's insurance policy)	<b>YES</b>
<b>Settlement in an employment dispute</b>	
• non-itemised lump sum compensation	<b>NO</b>
• wage or salary receivables have been itemised	<b>YES</b>
<b>The proportion of life insurance endowment that is subject to withholding taxation</b>	<b>YES</b>
<b>Share of profits</b>	<b>YES</b>
<b>Employer-subsidised commuter ticket</b>	
• paid as a fringe benefit, taxable share	<b>YES</b>
• paid as part of overall wages, tax-exempt and taxable shares	<b>YES</b>
<b>Supplementary daily allowance (also tax-free)</b>	<b>YES</b>
<b>Pensionable earnings from work performed abroad</b>	<b>YES</b>
<b>Voluntary or individual pension insurance policy (paid by the employer)</b>	
• to the extent they are considered as wages or salary in taxation	<b>YES</b>
<b>Profit holdings, profit distribution payments, profit share payments</b>	<b>NO</b>
• if the Annual General Meeting decides to distribute a part of the limited company's profits to the employees	
<b>Compensation relating to job alternation leave</b>	<b>NO</b>
<b>Compensation relating to annual leave</b>	
• for example, pay during annual leave, holiday compensation, compensation for carried-over holiday entitlement not taken, various holiday bonuses	<b>YES</b>

## Social insurance contributions in 2021

<b>EMPLOYEE'S PENSION CONTRIBUTION   The contribution is a % of the payroll.</b>	<b>2021</b>	<b>2020</b>
<ul style="list-style-type: none"> <li>An employee shall be insured under TyEL if the monthly earnings amount to at least <b>TyEL contribution of employers with permanent staff</b> (includes employee's contribution.)</li> <li>An employer with permanent staff has permanent employees or the payroll is at least 8,790 € / 6 months.</li> <li>TyEL basic contribution</li> </ul> <p>The insurance contribution is reduced by a possible client bonus and group discount. Furthermore, if the employer's payroll for 2019 has been a minimum of 2,125,500 euro, the insurance premium is affected by the premium category for the disability contribution and the premium loss discount.</p> <p><b>TyEL contribution of occasional employers</b> (includes employee's contribution.)</p> <ul style="list-style-type: none"> <li>An occasional employer does not have permanent employees and the payroll is under 8,790 € / 6 months.</li> </ul>	<p><b>61.37 €/month</b></p> <p><b>24.80 %</b></p> <p><b>24.80 %</b></p>	<p>60.57 €/month</p> <p>25.30 % (1.1.–30.4.) 22.70 % (1.5.–31.12.)</p> <p>25.30 % (1.1.–30.4.) 22.70 % (1.5.–31.12.)</p>
<p><b>Employee's share of TyEL contribution</b></p> <ul style="list-style-type: none"> <li>for employees between the ages of 17–52 years</li> <li>for employees between the ages of 53–62 years</li> <li>for employees who have turned 63 years</li> </ul>	<p><b>7.15 %</b></p> <p><b>8.65 %</b></p> <p><b>7.15 %</b></p>	<p>7.15 %</p> <p>8.65 %</p> <p>7.15 %</p>

### **SELF-EMPLOYED PERSON'S PENSION CONTRIBUTION | The contribution is a % of reported income.**

<p><b>YEL contribution</b></p> <ul style="list-style-type: none"> <li>for self-employed person between the ages of 18–52 years</li> <li>for self-employed person between the ages of 53–62 years</li> <li>as of the start of the calendar year following the year in which the self-employed person turns 63</li> <li>22% discount to new entrepreneurs for 48 months</li> <li>for self-employed person between the ages of 18–52 years</li> <li>for self-employed person between the ages of 53–62 years</li> <li>as of the start of the calendar year following the year in which the self-employed person turns 63</li> </ul>	<p><b>24.10 %</b></p> <p><b>25.60 %</b></p> <p><b>24.10 %</b></p> <p><b>18.798 %</b></p> <p><b>19.968 %</b></p> <p><b>18.798 %</b></p>	<p>24.10 %</p> <p>25.60 %</p> <p>24.10 %</p> <p>18.798 %</p> <p>19.968 %</p> <p>18.798 %</p>
<p><b>Limit amounts</b></p> <ul style="list-style-type: none"> <li>lower limit of reported YEL income, €/year</li> <li>upper limit of reported YEL income, €/year</li> <li>a self-employed person is entitled to unemployment security if the reported income is at least</li> </ul>	<p><b>8,063.57 €/year</b></p> <p><b>183,125.00 €/year</b></p> <p><b>13,247.00 €/year</b></p>	<p>7,958.99 €/year</p> <p>180,750.00 €/year</p> <p>13,076.00 €/year</p>

### **FARMER'S PENSION CONTRIBUTION**

<p><b>MYEL contribution</b></p> <ul style="list-style-type: none"> <li>Further information from Farmers' Social Insurance Institution MELA</li> </ul>
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### **OTHER SOCIAL SECURITY CONTRIBUTIONS**

<p><b>Employer's health insurance contribution</b></p>	<b>1.53 %</b>	1.34 %
<p><b>Health insurance contribution of the insured</b></p> <ul style="list-style-type: none"> <li>Employee <ul style="list-style-type: none"> <li>Contribution for medical care coverage</li> <li>Contribution for daily allowance coverage, if person's salary, wages and YEL income are at least 14,766 €/year. Otherwise 0.00%.</li> </ul> </li> <li>Self-employed person <ul style="list-style-type: none"> <li>Contribution for medical care coverage</li> <li>Contribution for daily allowance coverage, if person's salary, wages and YEL income are at least 14,766 €/year. Otherwise 0.00%.</li> </ul> </li> <li>Pensioner</li> </ul>	<p><b>0.68 %</b></p> <p><b>1.36 %</b></p> <p><b>0.68 %</b></p> <p><b>1.55 %</b></p> <p><b>1.65 %</b></p>	<p>0.68 %</p> <p>1.18 %</p> <p>0.68 %</p> <p>1.33 %</p> <p>1.65 %</p>
<p><b>Accident insurance contribution</b></p> <ul style="list-style-type: none"> <li>The contribution is affected e.g. by payroll and risks at work. Further information from your own accident insurance company.</li> </ul>		
<p><b>Unemployment insurance contribution</b> (collected by the Unemployment Insurance Fund)</p> <ul style="list-style-type: none"> <li>For payroll of a maximum of 2,169,000 €/year</li> <li>For part of payroll that exceeds 2,169,000 €/year</li> <li>Contribution for partial owner paid by the employer</li> <li>Employee's contribution</li> <li>Partial owner's contribution</li> </ul>	<p><b>0.50 %</b></p> <p><b>1.90 %</b></p> <p><b>0.50 %</b></p> <p><b>1.40 %</b></p> <p><b>0.65 %</b></p>	<p>0.45 %</p> <p>1.70 %</p> <p>0.45 %</p> <p>1.25 %</p> <p>0.65 %</p>
<p><b>Employees' group life insurance</b></p> <p>Collected in connection with the accident insurance contribution. Further information from your own accident insurance company.</p>		

### **INDICES**

<ul style="list-style-type: none"> <li>Wage coefficient</li> <li>Earnings-related pension index</li> </ul>	<p><b>1.465</b></p> <p><b>2631</b></p>	<p>1.446</p> <p>2617</p>
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### **INTEREST RATES | Adjusted every six months on 1 January and 1 July.**

<ul style="list-style-type: none"> <li>Premium interest rate</li> </ul>	<p><b>2.0 %</b> (1 July–31 Dec; valid 1 Jan–31 Dec under YEL).</p> <p><b>8.0 %</b> (1 July–31 Dec)</p>	<p>2.0 % (1 July–31 Dec; valid 1 Jan–31 Dec under YEL).</p> <p>8.0 % (1 July–31 Dec)</p>
<ul style="list-style-type: none"> <li>Interest for late payment</li> </ul>		

- Employer's statutory social insurance contributions are earnings-related pension, accident, unemployment and group life insurance contributions and the social security contribution.
- YEL insurance is statutory for self-employed persons.

# Elo's contact information

**Do you feel lost in the TyEL and YEL jungle?  
We'll help you navigate the ins and outs of  
pension insurance.**

## Online services

New insurance policies

- Take TyEL or YEL insurance at **www.elo.fi**.

### Elo's Online Service

Online Service for company customers

- Whether you are an entrepreneur, employer or accounting firm representative, the Online Service provides you with everything you need to manage employment pension insurance matters.
- All rehabilitation and pension information is accessible within the same Online Service.
- The Online Service also provides large-scale employers with tools intended to prevent and manage work disability risks and the related costs.
- Log in at **www.elo.fi/log-in-online-service**

Online Pension Service

- The Pension Service provides you with an easy and convenient way to manage your own pension and benefit matters.
- The Pension Service enables you to, for example, get an estimate of your future pension amount and apply for pension.
- Log in to the Pension Service using your personal online banking codes at **www.elo.fi/elakepalvelu**.

Information on pension insurances and earnings-related pension

- Further information on TyEL and YEL insurance and pension security is available at **www.elo.fi**.

## Customer service

### TyEL and YEL insurance

Telephone +358 20 694 730 on weekdays from 8 a.m. till 4.30 p.m.

Business reply address (Elo will pay the postage):

Elo Mutual Pension Insurance Company

Insurance services

Code 5010419

FI-00003 VASTAUSLÄHETYS

FINLAND

### Pension service

Telephone +358 20 694 717 on weekdays from 8 a.m. till 4.30 p.m.

**www.elo.fi/online-pension-service**



**Elo Mutual Pension Insurance Company**

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