

SOCIAL INSURANCE CONTRIBUTIONS 2012

The statutory social insurance contributions payable by private employers comprise the earnings-related pension contribution, employment accident insurance contribution, unemployment insurance contribution and employees' group life assurance contribution plus the social security contribution (= health insurance contribution). A self-employed person can also take out voluntary insurance under the Employment Accidents Insurance Act and join the Self-Employed Persons' Unemployment Fund.

Earnings-related pension contribution	2012 %	2011 %	
For employees and self-employed persons between ages 18 and 67.			
Employer's TyEL contribution (contract employer)			
(Employees' Pensions Act) Employing at least one permanent employee or temporary employee whose six-month payroll amounts to more than €7,746			
Total payroll in 2010			
• less than €1,846,500	23.3	22.5	
• less €1,846,500–29,544,000	23.3	22.5–23.0	
• over €29,544,000	23.3	23.0	
The TyEL basic contribution without the client bonus and other discounts. In companies with a total payroll of over €1,846,500, the contribution is also affected by the number of disability pensions granted by the company to its employees.			
Temporary employer's TyEL contribution	23.3	23.0	
• no permanent employments and the payroll amounts to less than €7,746 within six months			
Employees' pension contributions			
• under the age of 53	5.15	4.7	
• from the beginning of the month following the month in which the employee reaches the age of 53	6.5	6.0	
Self-employed person's YEL contribution (Self-Employed Person's Pension Act)			
• under the age of 53	22.5	21.6	
• from the beginning of the year following the year in which the insured reaches the age of 53	23.85	22.9	
A discount of 25% for the first 48 months of operations for first-time self-employed			
• under the age of 53	16.875	16.2	
• the beginning of the year following the year in which the insured reaches the age of 53	17.887	17.175	
Interest rates			
• Technical rate of interest under TyEL	Jan. 1–June 30	3.25	4.5
	July 1–Dec. 31		4.75
• Technical rate of interest under YEL	Jan. 1–Dec. 31	3.25	4.5
• General interest on overdue payments of contributions	Jan. 1–June 30	8.0	8.0
	July 1–Dec. 31		8.5

Income limits	2012 €	2011 €
TyEL		
• lower limit for work covered by TyEL (€/month)	54.08	52.49
YEL		
• lower limit for self-employment covered by YEL (€/year)	7,105.84	6,896.69
• YEL upper limit (€/year)	161,375.00	156,625.00
• minimum income entitling to part-time pension under YEL (€/year)	14,211.69	13,793.37
YEL lower limit for coverage by unemployment insurance (€/year)	8,520.00	8,520.00
Max. earnings while drawing an unemployment pension (€/month)	675,98	656,08
Min. earnings while drawing a disability pension (€/month)	713,73	600,00
– from 1 Mar. 2011 (€/month)		687,74
Indexes	2012	2011
• wage coefficient (earnings, YEL income): increase of 3.03%	1.291	1.253
• employment pension index (pension payments): increase 3.61%	2407	2323
Life expectancy coefficient	0.98351	0.98689
The life expectancy coefficient reduces pensions when the life expectancy of the populace is expected to lengthen.	(s. 1950)	(s. 1949)
Employment accident, unemployment and group life insurance contribution	2012 %	2011 %
Employment accident insurance	0.3–8.0	0.3–8.0
The rate varies according to the company's wage bill and risk of accident involved in the work. The accident insurance is handled by the accident insurers.		
Unemployment insurance		
Contribution is collected for persons between the ages of 17 and 64 by the accident insurance company together with the statutory accident insurance contribution and passed on to the Unemployment Insurance Fund (Työttömyysvakuutusrahasto).		
• employer contribution for the first €1,936,500	0.80	0.80
• for the portion of the wage bill exceeding €1,936,500	3.20	3.20
• employee contribution	0.60	0.60
• employer contribution for a part-owner	0.80	0.80
• part-owner contribution	0.20	0.20
Group life insurance	0.071	0.071
The accident insurance company withholds the contribution with the regular accident insurance contribution and passes it on to the Employees' Group Life Insurance Pool. Claims are handled and benefits paid out by Retro Life Assurance Company Ltd (www.retro.fi).		
Employer's social security contribution	2012 %	2011 %
=health insurance contribution for employees between the ages of 16 and 67 for salaries	2.12	2.12
The social security contribution is paid in connection with payments of withholding tax to the tax administration. Further information www.vero.fi		
Wage-earner's health insurance contribution		
Included in the wage-earner's individual tax withholding percentage. It is not deducted separately from the wage.		
• wage-earner's contribution	2.04	2.01
– for earned income insurance 0.82		
– for medical care insurance 1.22		
• self-employed person's contribution	2.19	2.11
– for earned income insurance 0.97		
– for medical care insurance 1.22		
• pensioner's contribution for medical care insurance	1.39	1.36