

Social insurance contribution 2010

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 (= sickness insurance contribution). The employee's wage before taxes is taken as the basis for the determination of the rates of all contributions. Self-employed persons are responsible for arranging their own pension coverage under YEL (Self-Employed Person's Pensions Act). A self-employed person can also take out voluntary insurance under the Employment Accidents Insurance Act and join the Self-Employed Persons' Unemployment Fund.

| | 2010 | 2009 |
|--|------------------|-------------|
| | % | % |
| Earnings-related pension contribution for the employees | | |
| TyEL (the Employees Pensions Act) The pension contribution is payable for employees between ages 18 and 67, whose earnings accrued within the employment contract are at least 51,57 € per month. | | |
| Contract employer | | |
| Employing at least one permanent employee or temporary employees whose six-month payroll amounts to more than 7,386 € | | |
| Total payroll in 2008 | | |
| • less than 1,686,000 € | 21.8 | 21.4 |
| • 1,686,000–26,976,000 € | 21.8–22.4 | 21.4–22.4 |
| • over 26,976,000 € | 22.4 | 22.4 |
| A company specific temporary decrease in the pension contribution (0–0.6%) has been taken into consideration. The contribution may be reduced by client bonuses on average approximately 0,3%. In companies with a total payroll of over 1,686,000 €, the contribution is also affected by the number of disability and unemployment pensions granted by the company to its employees. | | |
| Temporary employer | 22.4 | 22.4 |
| • no permanent employments and the payroll amounts to less than 7,386 € within six months | | |
| Employees' pension contributions | | |
| • under the age of 53 | 4.5 | 4.3 |
| • from the beginning of the month following the month in which the employee reaches the age of 53. | 5.7 | 5.4 |
| Self-employed person's own earnings-related pension contribution | | |
| YEL (Self-Employed Person's Pensions Act) | | |
| The contributions are calculated on the basis of the YEL earned income confirmed for the insurance. | | |
| • under the age of 53 | 21.2 | 20.8 |
| • from the beginning of the year following the year in which the insured reaches the age of 53. | 22.4 | 21.9 |
| A self-employed person who goes into business for the first time is entitled to a discount of 25% on the YEL contribution for the first 48 months of operations | | |
| • self-employed persons under the age of 53 | 15.9 | 15.60 |
| • the beginning of the year following the year in which the insured reaches the age of 53. | 16.8 | 16.425 |
| Self-employed persons may pay additional insurance contributions of 10–100% of the annual insurance premium calculated on the basis of their confirmed earned income and thus improve the accrual of their pension for that year. Flexibility downwards is 10–20%. | | |
| Accident insurance contribution and related contributions payable for employees | | |
| Employment accident insurance | | |
| The rate of the statutory accident insurance varies according to the company's wage bill and risk of accident involved in the work. The contribution varies between | | |
| The accident insurance is handled by the accident insurers. | 0.3–8.0 | 0.3–8.0 |
| Unemployment insurance | | |
| The unemployment insurance contribution is collected by the accident insurance company together with the statutory accident insurance contribution and passed on to the Unemployment Insurance Fund (Työttömyysvakuutusrahasto). The contributions are used e.g. to cover employees' earnings-related daily allowances under their unemployment insurance. No contributions are collected for persons under the age of 17 or for employees over the age of 65. | | |
| • Employer contribution for the first 1,846,500 € of wage bill | 0.75 | 0.65 |
| • For the portion of the wage bill exceeding 1,846,500 € | 2.95 | 2.70 |
| • State-owned companies | 1.90 | |
| • Employee contribution | 0.40 | 0.20 |
| • Employer contribution for a part-owner | 0.75 | 0.65 |
| • Part-owner contribution | 0.15 | 0.07 |

| | 2010 % | 2009 % |
|--|------------------|---|
| Group life insurance | | |
| The average rate of contribution of the company's wage bill confirmed in the insurance contract | 0.071 | 0.074 |
| The accident insurance company withholds the contribution with the regular accident insurance contribution and passes it on to the Employees' Group Life Insurance Pool. The contribution is payable for employees and all partners and shareholders insured under statutory accident insurance. The contribution sizes may vary by company. Claims are handled and benefits paid out by Retro Life Assurance Company Ltd (www.retro.fi). | | |
| Employer's social security contribution | | |
| Employer's social security contribution for all employers (=health insurance contribution). The employers national pension contribution will be abolished from the beginning of 2010. | 2.23 | For salaries paid 1.4. - 31.12. I: 2.0 II: 4.2 III: 5.1 |
| The social security contribution is paid in connection with payments of withholding tax to the tax administration. No social security contribution is payable until the end of 2011 in the following municipalities of | | |
| <ul style="list-style-type: none"> • North Lapland: Enontekiö, Inari, Kemijärvi, Kittilä, Kolari, Muonio, Pelkosenniemi, Pello, Posio, Salla, Savukoski, Sodankylä, Utsjoki, and Ylitornio. Kainuu: Kajaani, Kuhmo, Hyrynsalmi, Paltamo, Puolanka, Ristijärvi, Sotkamo, Suomussalmi, Vaala, and Vuolijoki. The Finnish archipelago: Hailuoto, Houtskari, Iniö, Korppoo, Nauvo, and Velkua. North Karelia: Juuka, Lieksa, Nurmes, Valtimo, and Ilomantsi. Northern Savo: Rautavaara. | | |
| Further information www.vero.fi | | |
| Health insurance contribution | | |
| Included in the wage-earner's individual tax withholding percentage. It is not deducted separately from the wage. | | |
| Wage-earner: | | |
| • contribution for medical care insurance | 1.47 | 1.28 |
| • contribution for earned income insurance | 0.93 | 0.70 |
| Self-employed person: | | |
| • contribution for medical care insurance | 1.47 | 1.28 |
| • contribution for earned income insurance | 1.05 | 0.79 |
| Pensioner: contribution for medical care insurance | 1.64 | 1.45 |
| Indexes | | |
| Wage coefficient (earnings): increase of 3,27% | 1.231 | 1.192 |
| Employment pension index (pension payments): increase 0,26% | 2,292 | 2,286 |
| Income limits | | |
| € | | |
| TyEL | | |
| • Lower limit for work covered by TyEL (€/month) | 51.57 | 49.93 |
| • Contract employer: at least one permanent employee or six-month payroll amounts to more than | 7,386 | 7,152 |
| • Temporary employer: no permanent employees and six-month payroll less than | 7,386 | 7,152 |
| YEL | | |
| • Lower limit for self-employment covered by YEL (€/year) | 6,775.60 | 6,560.93 |
| • YEL upper limit (€/year) | 153,875 | 149,000 |
| • Minimum income entitling to part-time pension under YEL (€/year) | 13,551.19 | 13,121.87 |
| YEL lower limit for coverage by unemployment insurance (€/year) | 8,520 | 8,520 |
| Max. earnings while drawing an unemployment pension (€/month) | 644.56 | 624.14 |
| Min. earnings while drawing a disability pension (€/month) | 600 | |
| Interest rates | | |
| % | | |
| Technical rate of interest under TyEL, % | - Jan. 1-June 30 | 3.50 |
| | - July 1-Dec. 31 | 4.50 |
| Technical rate of interest under YEL, % | - Jan. 1-Dec. 31 | 3.50 |
| General interest on overdue payments of contributions and pensions, % | - Jan. 1-June 30 | 8.0 |
| | - July 1-Dec. 31 | 8.0 |