

Taking care of your employees' pension cover in 2024

TyEL is short for the Employees Pensions Act. For the most part, all employees under contract with an employer are insured in accordance with TyEL.

The pension cover of your employees is your responsibility, whether you are a corporate or household employer. It is also your responsibility if you employ people temporarily.

You need to take care of your employee's pension cover even if they are a pensioner or a foreign citizen.

When is TyEL needed?

You must arrange pension cover for your employee if

1. your employee is between 17 and 67 years of age,
3. you pay your employee at least EUR 68.57 per month (in 2024),
3. you employ one or more people in your company, at your home or cottage, or in your yard or forest.

Temporary or contract employer?

You are a temporary employer if you pay less than EUR 9,822 (in 2024) in salaries or wages over a six-month period and do not employ anyone permanently. Temporary employers do not have a valid pension insurance policy with an employment pension insurance company.

[See TyEL contribution percentages and earnings limits in different years.](#)

If you pay at least EUR 9,822 (in 2024) in salary or wages in total over a six-month period, you must arrange your employee's pension cover by taking out employees' earnings-related pension insurance, i.e. TyEL insurance. Preferably take out the insurance immediately when you hire an employee. In any case, you should take out the insurance at the latest before the payroll is calculated, as reporting earnings data to the Incomes Register is not possible without the TyEL insurance number. This also means you will avoid penalty fees for late payment. Read more on our website: [contract employer or temporary employer.](#)

In 2024, a temporary employer's TyEL contribution percentage is 26.12 per cent of the pay. A temporary employer's contribution is the same size in all pension companies.

For small contract employers, the earnings-related pension insurance contribution at Ilmarinen is 25.32 per cent of the payroll, when the expense loading is taken into account. The client bonus is not taken into account here. If you are a contract employer, you can log in to our online service to see an estimate of your TyEL contribution for 2024 and the TyEL contribution percentage. You are considered a small employer if you have paid less than EUR 2,251,500 in salaries and wages in 2022.

The Ministry of Social Affairs and Health confirms the average insurance contribution percentage annually

Employee's TyEL contribution, % of payroll

Age, yrs	2023	2024
Employee 17–52 years	7.15	7.15
Employee 53–62 years	8.65	8.65
Employee 63–67 years	7.15	7.15

The larger contribution percentage is applied from the beginning of the month after the month in which the employee turns 53 until the end of the month in which they turn 63. [See TyEL contribution percentages and earnings limits in different years.](#)

TyEL contribution and its allocation between the employer and employee, % of payroll

	2024	2023
Average TyEL contribution*	24.81	24.84
Average employee contribution	7.47	7.47
Average employer contribution	17.34	17.39

The *2024 TyEL contribution takes into account the average client bonus given by pension companies, the premium loss discount for large employers and the average administrative cost component in different pension companies.

Components of your TyEL contribution

The TyEL contribution is a percentage of your employees' salaries and wages. It is calculated based on the earnings reported to the Incomes Register. The contribution will fall due usually on the last day of the month following the date on which the salaries or wages were paid.

The contribution percentage of a contract employer is affected by Ilmarinen's efficiency and the employer's size. You can see the TyEL contribution percentage, an estimate of the full year's contribution and the client bonus in our online service.

The average contribution for employer's pension insurance (TyEL) is 24.81 per cent of the payroll in 2024. It takes into account

the average estimated client bonus and expense loading of employment pension insurance companies, as well as the contribution loss discount of large employers.

A large employer is a contract employer whose payroll was over EUR 2,197,500 in 2022. Read more about a large employer's contributions at [ilmarinen.fi/](https://www.ilmarinen.fi/)

Read about [determining the TyEL contribution](#)

Ilmarinen's efficiency lowers the TyEL contribution

[The expense loading included in earnings-related pension contributions is company-specific](#)

Expense loading is the part of the TyEL pension contribution that is used to cover the costs arising from the pension company's operations; in other words, the

costs arising from managing insurance policies and pensions. Ilmarinen's excellent efficiency shows to our customers as lower earnings-related pension insurance contributions.

[Read more about the TyEL contribution components](#)

Your insurance's expense loading amount is impacted by two factors: the payroll and the number of employees. These are taken into account in your invoices each month. From the start of 2024, Ilmarinen's expense loading will fall by more than 20 per cent compared to 2023 (the expense loading for 2023 was 0.25%). Ilmarinen's expense loading is the same size regardless of how long you have been our customer.

Client bonus in 2024

As our customer, you also benefit from our excellent client bonuses, which lower the price of earnings-related pension insurance.

The client bonus is based on Ilmarinen's solvency, i.e. the result of the investment operations, and reduces your insurance contribution. Thanks to our high solvency, we are able to refund a larger share of earnings-related pension contributions to our customers as client bonuses.

You receive the client bonus when your TyEL insurance is in force at Ilmarinen and you are a so-called contract employer. You will start receiving client bonuses starting from the second year that your insurance is valid. The client bonus is calculated once a year and is usually deducted from the invoice for March. For more information on how your client bonus is allocated, go to our online service.

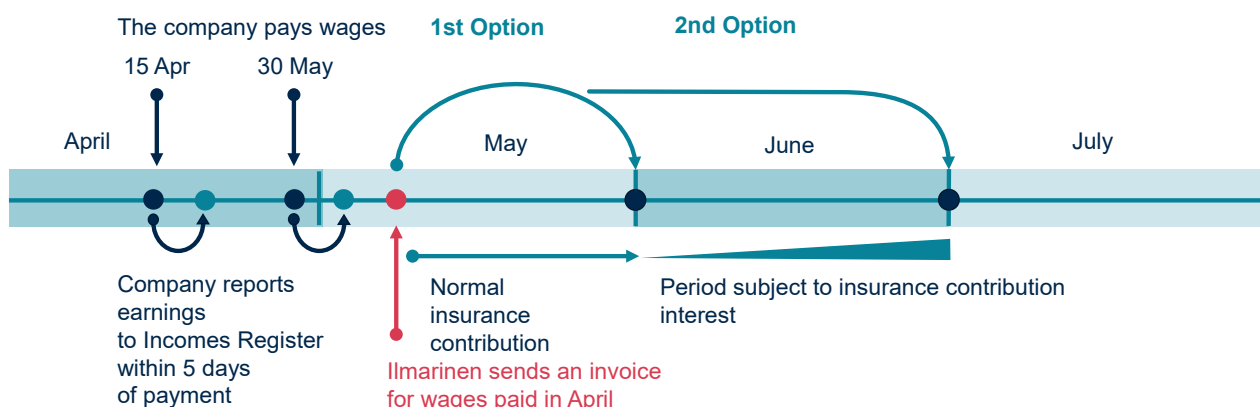
Employee's and employer's shares

The TyEL contribution is paid on the employee's gross earnings. Read more at ilmarinen.fi/tyel.

Your employee always pays a share of the contribution, the size of which is determined based on the employee's age.

As an employer, you collect your employee's share of the contribution from their pay when you pay them their salary or wages, and then you pay the entire amount to us.

Example of monthly payments



As a contract employer you can change the due date of your TyEL invoice in our online service. You can defer the due date of the invoice by a maximum of one month. The change must be made during the wage payment month. If the due date is deferred by one month, in this case to the end of June, insurance contribution interest will be charged on the contribution.

The Palkka.fi service

The TyEL contribution of corporate clients can be generated in the Palkka.fi service, or an invoice can be ordered from Ilmarinen. As a contract employer, you can see the contributions generated in the service by logging in to Ilmarinen's online service, but you cannot change the due date of future invoices. In the online service you can, however, apply for an extended term of payment for invoices falling due.

As Ilmarinen's **private customer**, you can choose the method of delivery of your TyEL invoice (invoice from the employment pension insurance company or payment information in Palkka.fi) under *Työnantajatiedot > Vakuutukseen liittyvät tiedot*.

Select how you wish to receive your TyEL invoice in the Palkka.fi service.

For **household customers**, when you submit an earnings payment report in the Palkka.fi service, we will not send an invoice; instead the payment information is generated in the Palkka.fi service.

Which salaries and wages are subject to the TyEL contribution?

TyEL earnings is a term that refers to the compensation paid for the work performed. It includes monetary wages and fringe benefits. They are often the same as an employee's gross earnings subject to tax withholding, but not always. For instance, an employer-subsidised commuter ticket is TyEL earnings when it is part of the salary or wages. The employee's share of the pension contribution is also deducted from the TyEL earnings.

You can find out if a certain income type is included in TyEL earnings on our website at ilmarinen.fi.

Read more about the types of income considered to be TyEL earnings in the Finnish Centre for Pensions' Earnings-related pensions act service (in Finnish and Swedish only).

Report earnings to the Incomes Register

After you have taken out TyEL insurance, all you need to do is report the earnings to the Incomes Register and pay the TyEL contribution.

Contract employers report the pension policy number, or TyEL insurance number, to the Incomes Register. The pension policy number is 11 characters long and begins with the number 46. You can find the TyEL insurance number in the invoice, insurance policy or by logging in to our online service.

Temporary employers do not have a pension policy number. Temporary employers report to the Incomes Register using Ilmarinen's insurance company code 46. If you report a temporary employer's salaries and wages directly from payroll accounting software or on a paper form, use the generic pension policy number, which is 46-3000000V.

Report earnings to the Incomes Register at the latest within five days of payment. On the same day, Ilmarinen will receive the payroll data from the Incomes Register. As a contract employer you can view the resulting contribution by logging in to our online service at ilmarinen.fi.

We will only receive the TyEL earnings data required by pension companies from the Incomes Register, nothing else. Usually, this is the same information as the salaries and wages subject to withholding tax. Read more about [reporting earnings data to the Incomes Register](#).

What is the Incomes Register?

The Incomes Register is a centralised register where data on the payment of all earnings and fringe benefits is reported. Corrections to earnings are also reported to the Incomes Register when the correction concerns earnings paid in 2019 or thereafter. You can read more about the Incomes Register at www.tulorekisteri.fi.

TyEL invoice

Employers receive a TyEL invoice based on the earnings they report to the Incomes Register. Contract employers get the invoice at the beginning of the month following the reporting. Temporary employers get it a few working days after reporting. TyEL invoices are sent as online invoices as long as the online invoice address has been reported to the [TIEKE service](#). The TyEL insurance contribution will fall due on the last day of the month following the date on which the salaries or wages were paid.

Extended term of payment for invoices
As a contract employer, you can defer the due date of upcoming invoices by a maximum of one month. Please note that insurance contribution interest is added to the contribution for the second payment month. You can check your interest percentage [on our website](#).

You can calculate the impact of the insurance contribution interest on the TyEL contribution at ilmarinen.fi/en/calculators

If you need to, you can apply for an extended term of payment for an invoice falling due in the online service. Extending the payment term is subject to penalty interest. The interest is calculated from the due date of the invoice to its actual payment date. You can make the change by logging in to our online service at ilmarinen.fi.

Easy online services

You can take care of all your TyEL matters online whenever it suits you.

In the free online service, you can view upcoming TyEL contributions and employees' earnings data based on which the TyEL contribution has been calculated. You can print out a summary of the earnings data of your choice and insurance contribution certificates. In addition, you can view the client bonuses, which are calculated in the spring and deducted from the following TyEL invoices. Read how to activate the [employer's service](#).

Want to make typing in account and reference numbers a thing of the past? Switch to electronic invoices and save the environ-

ment in the process. Switch to electronic invoicing by concluding an agreement with your bank or online invoice operator. Read more [about electronic invoices](#)

Your contributions are tax deductible

Your company's TyEL contribution is a corollary deduction, which means a deduction for the expenses the company incurs to produce income. Therefore, you can deduct the TyEL contribution in taxation. Please note that the rules for corporate and personal taxation are different.

Insuring work abroad

As an employer, it is your duty to always take care of your employees' pension cover, regardless of their nationality or whether they work in Finland or abroad. The country in which you should arrange your employee's pension cover and other social insurance depends on the country of employment and the duration of the work.

If you post your employee from Finland to a foreign country, arrange their pension and social security well ahead of time, regardless of whether the move is temporary or permanent. Be sure to take care of your employee's pension cover also when you hire an employee from abroad to work in Finland.

The following circumstances will determine whether you should arrange your employee's pension cover in Finland or in the country of employment:

- [Is your employee working in an EU or EEA country or in a social security agreement country?](#)
- [Is your employee working in a country with which Finland has no social security agreement?](#)
- [Is your employee working abroad temporarily as a so-called posted worker?](#)
- [Is your employee transferring to work for a foreign company or for a Finnish company or its parent or sister company or subsidiary?](#)

- [Is your employee working remotely from abroad?](#)
- [Are you hiring an employee from abroad to Finland?](#)
- [Is the employer located in a different country than the employee?](#)
- [Do you work abroad as an entrepreneur?](#)

The practice is governed by the EU's social security regulation and the bilateral social security agreements concluded by Finland. Read more [about insuring work abroad](#).

When your employee retires

Your employee can retire on old-age pension at the earliest after having reached their lower old-age pension age. An employee born in 1960 can retire in 2024 at the earliest. An employee's lower old-age pension age depends on the year and month in which they were born. For example, a person born in January 1960 can retire in August 2024 at the earliest. Read more [about the retirement of an employee](#).

Even if an employee were to continue working for the same employer while drawing a pension at the same time, the end date of employment must be reported to the Incomes Register under the reason code "Retirement". From an earnings-related pension insurance perspective, an employee can continue working right up until their upper old-age retirement age. Earnings-re-

lated pension contributions will continue to be deducted from the employee's pay until they reach their upper old-age retirement age.

Your employee may continue working even after that, if that is what you agree on, but then you can no longer collect pension contributions. Submit an earnings payment report to the Incomes Register indicating the type of exception to insurance as "No obligation to provide insurance (earnings-related pension insurance)". Visit the Incomes Register's website for more details on [How to report retirement to the Incomes Register?](#) (vero.fi).

The website [Työeläke.fi](#) offers calculators to help you calculate various indicative pension-related estimates.

Why choose Ilmarinen?

Ilmarinen's efficiency is reflected as lower insurance contributions. We pay excellent client bonuses – for our TyEL customers, this means smaller pension insurance contributions.

We are the market leader in the earnings-related pension insurance sector. We have strong solvency and the sector's best investment returns in the long run. As our customer, you are our owner – and part of our result belongs to you! Read on to [find out why being Ilmarinen's customer pays off](#).

Insurance online, by phone or through our partners

For easy TyEL insurance, visit our website at [ilmarinen.fi](#) or call insurance sales at the number +358 10 284 2385 (mobile phone charge/local network charge). You can also take out insurance through our partners. Our Finland-wide partner network has offices across the country. You can find their up-to-date contact information at [ilmarinen.fi](#).

The same also applies when you wish to transfer from your current pension company to us. You can switch companies when you have been insured elsewhere for at least a year. All you need to do is fill in the transfer form online or contact us or our partners – we will take care of the rest. Welcome!