

Taking care of your employees' pension cover in 2022

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. The responsibility is yours, also when you employ people temporarily.

When?

You should arrange pension cover for your employee when

1. The employee is between 17 and 67 years of age.
2. You pay your employee at least EUR 62.88 per month (in 2022).
3. You employ one or more people in your company, at your home, cottage, in your yard or forest.

For whom?

You need to take care of your employee's pension cover even if you only employ them temporarily, or they are a pensioner or a foreign citizen. Posted workers and self-employed persons are an exception to this obligation. Read more [about insuring work abroad](#).

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.

Corporate customers using the Palkka.fi service can choose whether to receive invoices from Ilmarinen or have the TyEL contribution generate directly in the service. For private customers, the payment information is automatically generated in the service based on the earnings payment reports.

Temporary or contract employer?

You are a temporary employer if you pay a maximum of EUR 9,006 (in 2022) in salaries or wages 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 9,006 (in 2022) in salaries or wages within a six-month period, you must arrange 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 the earnings data to the Incomes Register is not possible without the TyEL insurance number. This also helps you to avoid penalty fees for late payment. Read more on our website: [contract employer or temporary employer](#).

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

TyEL contribution and its allocation	2022	2021
TyEL contribution	25.85	24.8
Average employee contribution	7.45	7.45
Average employer contribution	17.40	16.95

Employee's TyEL contribution, % of payroll

Age	2022	2021
Employee 17–52 years	7.15	6.75
Employee 53–62 years	8.65	8.25
Employee 63–67 years	7.15	6.75

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 she or he turns 63. [See TyEL contribution percentages and earnings limits in different years.](#)

Components of your TyEL contribution

The TyEL contribution is a percentage of your employees' salaries and wages. The TyEL contribution will be 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.

As a contract employer, you can defer the due date by a maximum of one month. Please note that insurance contribution interest is added to the contribution for the second payment month. You can make the change on our online service at ilmarinen.fi

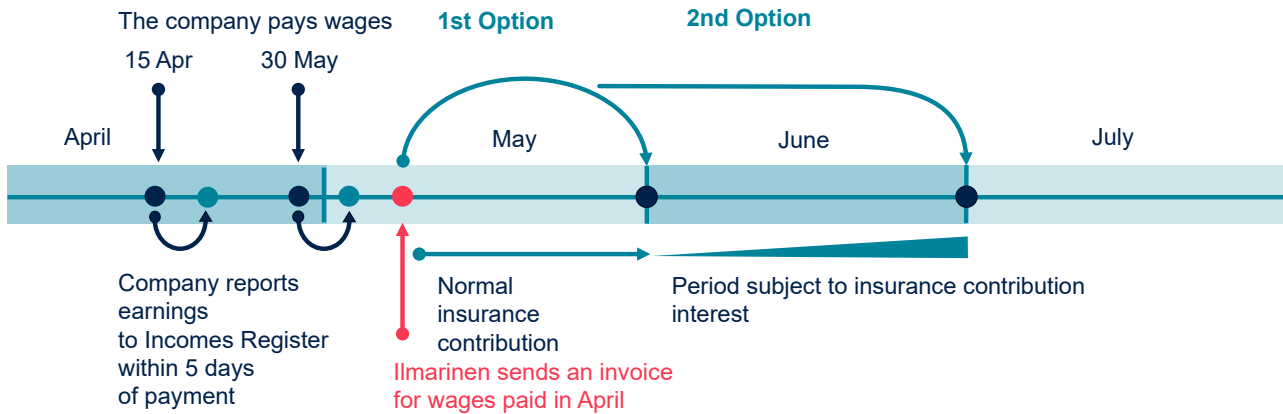
You can calculate the impact of the insurance contribution interest on the TyEL contribution at the address ilmarinen.fi/en/employer/employers-calculators.

The size of the contribution depends on how large an employer you are and on how much discount you are given on contributions. The contract employer's and temporary employer's TyEL contribution percentage is 25.85 (in 2022) when the contract employer's payroll was less than EUR 2,169,000 in 2020. The TyEL contribution is paid on the employee's gross earnings. Read more ilmarinen.fi/tyel-contribution.

Your employee always pays a share of the contribution. The size of the employee's share is impacted by 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



You can change the due date of your TyEL invoice in our online service. You can defer the due date by a maximum of one month. The change must be made during the wage payment month. When 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.

Which salaries and wages are subject to the TyEL contribution?

TyEL earnings is a term that refers to the compensation paid for the work that has been 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-subsidized 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.

Dividends based on the work input are included in the earnings on which the pension is based as of 1 January 2021. In addition, regulations have been adjusted in terms of employee stock options and share rewards. 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](#).

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. To check the TyEL insurance number, log in to our online service or check your invoice or insurance policy.

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 earnings directly from payroll accounting software or on a paper form, you must report the generic code, i.e. 46-3000000V.

Report earnings to the Incomes Register at the latest within five days of payment. We will receive the earnings payment data from the Incomes Register on the same day, and the contract employer can view the resulting contribution by logging in to our online service at ilmarinen.fi/en.

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](#).

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.

Extend the invoice's term of payment

Log in to the online service to apply for an extension (incl. VAT) for an invoice that is falling due.

Easy online services

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

On our free online service, you can view upcoming TyEL contributions and employees' earnings data based on which the TyEL contribution has been paid. You can print out a summary of the earnings data of your choice and insurance contribution certificates for tenders. In addition, you can view the client bonuses, which are calculated in the spring and then included in the following TyEL invoices. In our online service you can also change your contact details.

Want to make typing in account and reference numbers a thing of the past? Switch to electronic invoices and simplify your archiving system in the process.

You will have access to the online service once you have the required credentials. As a new customer, you will receive them automatically once you have taken out insurance

with us. As a contract employer, you can also get the credentials later at the address ilmarinen.fi/en/employers/on-line-service-for-employer.

Switch to electronic invoicing by concluding an agreement with your bank or other online invoice operator. You can read more about electronic invoicing at ilmarinen.fi/en.

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.

If the correction concerns earnings paid in 2018, report the correction to the pension company to which you reported the earnings at that time.

The Incomes Register was launched on 1 January 2019. As an employer, you report your employees' earnings to the Incomes Register after each payment of salaries and wages and pay TyEL contributions on them to Ilmarinen. You can read more about the Incomes Register at www.vero.fi/en/incomes-register/.

When your employee retires

Your employee can retire on old-age pension at the earliest after having reached their lower old-age pension age. Alternatively, they can continue working up until 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. Report the type of exception to insurance data, 'No obligation to provide insurance (earnings-related pension insurance)', to the Incomes Register using an earnings payment report.

Read more about [employees' retirement on our website](#) or in the Incomes Register [How to report retirement to the Incomes Register?](#)

Team up with us to build tomorrow's work ability!

We challenge you to team up with us to build tomorrow's work ability. Work Ability Hub will give you new ideas, researched information and daily tools.

Read more and take a look: ilmarinen.fi/en/Work-ability.

Being Ilmarinen's customer pays off

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 more on our website: [Why choose Ilmarinen?](#)

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 (8.35 cents/min). 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/en.

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!