

SOCIAL INSURANCE CONTRIBUTIONS AND KEY FIGURES 2019

TYEL INSURANCE CONTRIBUTIONS AND KEY FIGURES

TyEL contribution percentages and components	2019	2018
Temporary employer The payroll for six months is less than €8,502 or there are no permanent employees	25.2%	25.3%
Contract employer If the employer has at least one permanent employee or the payroll is at minimum EUR 8,502/6 months. TyEL basic contribution without client bonus, expense loading discount and premium loss discount.	25.2%	25.3%
Large employer When your payroll for 2017 was at least EUR 2,083,500, the contribution is impacted by the client bonus, expense loading discount and premium loss discount. The contribution is also affected by the company's own disability pensions. If the payroll amount for the company or group exceeds EUR 5,000,000, the contribution sum also decreases due to the expense loading component's discount for large payrolls. For more information, see the guidelines for large employers.		
Employee's pension contribution The employee's share is included in the total contribution. The employer withholds the contribution from the salary or wages. In 2017–2025, due to the transitional provision, 53–62-year-olds pay a contribution that is 1.5 percentage points higher. They accrue 1.7 per cent pension for the same period instead of 1.5 per cent.		
17–52-year-olds	6.75%	6.35%
53–62-year-olds (transitional provision 2017–2025)	8.25%	7.85%
63–67-year-olds	6.75%	6.35%
Lower limit for monthly earnings of employee covered by TyEL	59.36 €/month	58.27 €/month

YEL INSURANCE CONTRIBUTIONS AND KEY FIGURES

YEL contribution percentages	2019	2018
18–52-year-olds	24.10%	24.10%
53–62-year-olds (transitional provision 2017–2025)	25.60%	25.60%
63–67-year-olds	24.10%	24.10%
In 2017–2025, due to the transitional provision, 53–62-year-olds pay a contribution that is 1.5 percentage points higher. They accrue 1.7 per cent pension for the same period instead of 1.5 per cent. The YEL contribution changes at the start of the year after the year the entrepreneur turns 53 or 63.		
Newly self-employed (22 per cent discount)		
18–52-year-olds	18.80%	18.80%
53–62-year-olds (transitional provision 2017–2025)	19.97%	19.98%
63–67-year-olds	18.80%	18.80%
Lower limit of YEL confirmed income	7,799.37 €/year	7,645.25 €/year
Upper limit of YEL confirmed income	177,125 €/year	173,625 €/year
YEL confirmed income accruing minimum employment requirement for unemployment security	12,816 €/year	12,564 €/year
Monthly maximum earnings of the recipient of the disability pension without the earnings affecting the disability pension	€784.52	€737.45

MYEL INSURANCE CONTRIBUTIONS AND KEY FIGURES

MYEL contribution rates	2019	2018
under 53 years of age	13.0140%	13.0140%
Start of the year after the year the person turns 53	13.8240%*	13.8240%*
for the part of income exceeding €42,936.11		
under 53 years of age	24.10%	24.10%
Start of the year after the year the person turns 53	25.60%	25.60%

The contribution percentage increases steadily between €27,322.93 and 42,936.11

*As of 2017, 53–62-year-olds are subject to the increased contribution.

OTHER SOCIAL INSURANCE CONTRIBUTIONS

Health insurance contribution	2019	2018
Employer's health insurance contribution = health insurance contribution, for employees aged between 16–67. The social security contribution is paid to the Tax Administration when settling withholding tax. Further information: www.vero.fi	0.77%	0.86%
The insured's health insurance contribution The contribution is included in the withholding rate, it is not separately withheld from the salary.		
Self-employed person's health insurance contribution	1.77%	1.70%
Self-employed person's daily allowance contribution *	1.54%	1.53%
Self-employed person's medical care contribution	0.00%	0.00%
Self-employed person's additional funding contribution	0.23%	0.17%
Employee's health insurance contribution	1.54%	1.53%
Employee's daily allowance contribution *	1.54%	1.53%
Employee's medical care contribution	0.00%	0.00%
Pension recipient's health insurance contribution	1.61%	1.53%

* If the total earned income and confirmed income remains under EUR 14,282, the daily allowance contribution is 0.00 per cent.

Unemployment and accident and group life insurance contribution	2019	2018
Accident insurance contribution, average Contribution based on payroll and work-related accident risk. Accident insurance companies take care of accident insurance.	0.80%	0.80%
Average group life insurance contribution The accident insurance company collects the contribution in conjunction with the accident insurance contribution.	0.07%	0.07%
Employer's unemployment insurance contribution The Unemployment Insurance Fund collects contributions for an employee aged 17–64.		
For a payroll that is at most €2,086,500	0.50%	0.65%
For a payroll component that exceeds €2,086,500	2.05%	2.60%
Employee's contribution	1.50%	1.90%
Part-owner		
Employer's contribution paid for the part-owner	0.50%	0.65%
TyEL-insured part-owner's contribution	0.78%	0.92%

INTEREST

Interest	2019	2018
Insurance contribution interest rate 1 Jan.–30 Jun. *	2.00%	2.00%
Insurance contribution interest rate 1 Jul.–31 Dec. *		2.00%
Late payment interest 1 Jan.–30 Jun.	8.00%	8.00%
Late payment interest 1 Jul.–31 Dec.		8.00%

* The interest rate is set twice a year based on the dates of 15 Nov. and 15 May, entering into effect on 1 Jan. and 1 Jul.

INDICES AND LIFE EXPECTANCY COEFFICIENT

Indices and life expectancy coefficient	2019	2018
Wage coefficient	1,417	1,391
Earnings-related pension index	2585	2548
Life expectancy coefficient	0,957	0,960

The wage coefficient is used to calculate the future earnings-related pension. It is used to adjust the annual earnings to the level of the pension's starting year. In the wage coefficient, the portion of change in wages accounts for 80 per cent and the change in prices for 20 per cent.

The earnings-related pension index is used to adjust the paid earnings-related pensions. When calculating the earnings-related pension index, the portion of change in wages accounts for 20 per cent and the change in prices for 80 per cent.