

TAKING CARE OF YOUR EMPLOYEES' PENSION COVER IN 2019 – in brief

The pension cover of your employees is your responsibility, whether you are a corporate or household employer. Also when you employ people temporarily. Luckily, arranging pension cover is easy.

WHEN?

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 59.36 per month.
3. You employ one or more people in your company, at your home, cottage, in your yard or forest.

If you pay at least EUR 8,502 in salaries or wages within a six month period, arrange pension cover by taking out employees' earnings-related pension insurance, i.e. TyEL insurance.

Preferably take out the insurance immediately when you know the employee's name, social security code and salary. Then you will no longer have to worry about it. In any case, you should take out the insurance at the latest before the payroll is calculated as reporting the payroll data to the Incomes Register is not possible without the TyEL insurance number. This also helps to avoid penalty fees for late payment.

WHO IS IT FOR?

Take care of your employee's pension cover also when your employee is temporary, a pensioner or a non-Finn. Unless the person you have hired is self-employed or a so-called posted employee.

TYEL CONTRIBUTION AND ITS ALLOCATION BETWEEN THE EMPLOYER AND EMPLOYEE, % OF PAYROLL

	2019	2018
TyEL contribution	25.20	25.30
Average employee contribution	-7.05	-6.65
Average employer contribution	17.35	17.75

EMPLOYEE'S TYEL CONTRIBUTION, % OF PAYROLL

Age, yrs	2019	2018
Employee 17–52 years	6.75	6.35
Employee 53–62 years old	8.25	7.85
Employee 63–67 years	6.75	6.35

The larger contribution 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.

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 salaries and wages 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. If you wish to change the due date of the invoice, you can do so on our online service at ilmarinen.fi so that the invoice falls due during the second month following the payment of salaries and wages. Please note that insurance contribution interest is added to the TyEL contribution for the second payment month.

The contribution varies depending on how large an employer you are. And depending on how much discount you are given on contributions. The employer's and temporary employer's TyEL contribution percentage is 25.2 if the employer's payroll is less than EUR 2,083,500 (in 2017). The TyEL contribution is paid on the employee's gross salary.

Your employee always pays a share of the contribution. The size of the share depends on their age.

As an employer, you need to collect your employee's share of the contribution from his or her pay and then pay us the entire amount.

FOLLOW THESE STEPS

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

Report wages and salaries to the Incomes Register at the latest within five (5) days of payment. On the same day, Ilmarinen will receive the payroll data from the Incomes Register and you can view the resulting contribution by logging in to our online service at ilmarinen.fi.

We will send you a TyEL invoice at the start of the next month. However, we will not send an invoice for payroll notifications made in the palkka.fi service. Instead, the payment information can be found on the palkka.fi service.

We only receive from the Incomes Register the TyEL payroll required by pension companies. TyEL payroll usually means the same as the salaries and wages subject to withholding tax. Our website contains a list of types of salaries and wages that shows which salaries and wages accrue an employee's pension cover, i.e. which ones are included in the TyEL payroll.

TEMPORARY EMPLOYERS

Sometimes you hire an employee temporarily. For your company, home, yard or forest. You know that you are a temporary employer when you pay at least EUR 59.36 in monthly salaries and wages and less than a total of EUR 8,502 within a six month period and you do not have any permanent employees.

In that case, you do not need TyEL insurance. It is enough for you to calculate salaries and wages on our online service's PikaPalkka® service or, for instance, on the palkka.fi or SuoraTyö.fi services. Payroll notifications are sent to the Incomes Register from the services and the TyEL contribution is formed in the services. If you do your own payroll accounting, remember to send your payroll data to the Incomes Register well in advance.

YOUR CONTRIBUTIONS ARE TAX DEDUCTIBLE

The TyEL contribution paid by your company is a cost resulting from the employer's expenses incurred to generate income, i.e. a corollary deduction. That is why you can deduct the TyEL contribution in taxation.

Please note that the rules for corporate and personal tax are different.

EASY ONLINE SERVICES

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

In our free online service, you can, e.g., print out insurance contribution certificates for tenders and change your contact details.

We recommend switching to electronic invoices: Make typing in account and reference numbers a thing of the past, simplify your archiving system and benefit the environment.

You can access the online service once you get your online service codes. To receive your codes, call our customer service number +358 10 195 000. Switch to electronic invoicing by concluding an agreement with your bank or other online invoice operator.

For more information on TyEL, visit our website ilmarinen.fi.

PAYROLL DATA TO BE ENTERED IN INCOMES REGISTER STARTING IN 2019

The Incomes Register is a centralised register where all paid income data will be reported. Also adjustments to salaries are reported to the Incomes Register when the adjustment applies to payroll data for 2019. If the adjustment applies to salaries and wages paid in 2018, report the adjustment to the pension company.

The incomes register will come into effect on 1 January 2019. As an employer, it will mean reporting the salaries and wages of your employees to the Incomes Register each time they are paid and paying TyEL contributions on these to Ilmarinen. You can read more about the Incomes Register at www.incomesregister.fi

ONLINE, BY PHONE OR THROUGH OUR CO-OPERATION PARTNERS

Take out YEL and TyEL insurance easily on our website ilmarinen.fi. Or call our insurance sales service at +358 10 284 2385. You can also take out insurance through our partners. Ilmarinen's Finland-wide partner network has offices across the country. You can find the contact information of our partners on our web service at ilmarinen.fi.

The same also applies when you wish to transfer from your current pension company to Ilmarinen. 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 or contact us or our partners – we will take care of the rest. Welcome!