

TyEL
2011

TyEL
insurance and
the employer

Employees in the private sector are insured for pension with a TyEL insurance policy

It is the duty of private sector employers to arrange statutory pension cover under the Employees Pensions Act (TyEL) for all employees through a TyEL insurance policy. With the exception of seamen, the TyEL insurance is suitable for insuring all employees of the company. A self-employed person's work is insured with the Self-Employed Persons' Pension Act (YEL) and a farmer's under the Farmers' Pensions Act (MYEL).

An employment relationship that is to be insured under a statutory employee pension is created when an employee starts to work for the employer under its management and supervision in return for a salary or another type of compensation. An employer must pay TyEL contributions on an employee's earnings, and earnings-related pension is accrued from these contributions, provided that:

- the earnings amount to a minimum of EUR 52.49 per calendar month and
- the employee is between 18 and 67 years old

The provision of insurance for an employee commences at the beginning of the month following the employee's 18th birthday and terminates at the end of the calendar month in which the employee turns 68. Also a retired employee under 68 years of age must be insured. An employer may also provide voluntary insurance for work that remains below the earnings limit of EUR 52.49.

An employee's wages notified to the TyEL insurance are usually the same as the employee's taxable salary under payroll taxation. For more information on which payments are included in the TyEL salary and which are not, please refer to the brochure pages 11–13.

The duty to provide pension insurance also applies to foreign companies operating in Finland and to foreign entrepreneurs living in Finland. Further, the earnings of a person employed by a Finnish company and working abroad as a so-called "seconded employee" are covered by the Finnish earnings-related pension insurance scheme.

Pension insurance for positions of trust

Positions of trust include memberships of supervisory boards, advisory boards and management boards, as well as positions of trust in labour market organisations and non-profit-making organisations. A person in a

position of trust and at the same time employed by the payer of the remuneration must also always be covered by pension insurance as regards the position of trust. If a person in a position of trust is not employed by the payer of the remuneration, earnings-related pension insurance is voluntary.

A position of trust can either be insured under a separate policy or included in the same policy under which the other employees of the employer are insured. For insuring a pure position of trust, a TyEL application must be filed. The normal age and earnings limits applied to TyEL insurance policies are also applied to positions of trust. The payer also withholds the employee's share of the pension contribution from the remuneration paid for the position of trust.

Who is a contract employer and who is an occasional employer?

An employer must conclude an insurance contract if it regularly employs at least one employee or if the total wages paid to fixed-term employees amount to at least EUR 7.518 in six months. A contract employer that has concluded an insurance contract with Tapiola Pension is entitled to TyEL customer bonuses. The insurance contract can be made at elake-tapiola.fi.

If an employer has no permanent staff and the employees' total payroll over a six-month period is less than EUR 7.518 the employer does not have to conclude an insurance contract (i.e., the employer may act as a so-called occasional employer). An occasional employer reports wages paid in the Palkka-apuri service at elake-tapiola.fi (in Finnish).

How does a contract employer arrange for earnings-related pension insurance?

A contract employer may choose whether to submit the information required for TyEL insurance annually or monthly. An employer reporting annually pays the pension contribution on the basis of a preliminary payroll and reports the employees' payroll once a year using an annual notification form. An employer reporting monthly submits the payroll reports monthly, in which case the TyEL contribution is invoiced on the basis of actual paid wages.

Annual notification technique

An employer using the annual notification technique reports the data on the realised payroll using an annual notification form, which is submitted by the end of January of the following year. The wages are reported in accordance with the payment year. The start and end dates of employment must be reported with the accuracy of a date.

Annual notifications can be sent to Tapiola Pension:

- through our free online service at elake-tapiola.fi (In Finnish). The data can be reported as a file transfer or by inputting the data on an electronic form
- as a Tyvi file transfer; further information is available at tyvi.org
- using a precompleted annual notification form

The instructions are available at elake-tapiola.fi. For further information on submitting annual notifications, please send mail to tyel@tapiola.fi or call the TyEL customer service on +358 9 453 3680.

Contributions of an employer reporting annually

A contract employer pays advance contribution on the basis of the advance contribution percentage. The basis of the advance contribution is the paid wages reported by the employer, or an estimate calculated by Tapiola Pension, which is based on actual wages paid in the preceding year. The calculation of the final contribution is based on actual wages reported in the annual notification. The employer submits the annual notification by the end of January in the following year, and during the spring, Tapiola Pension sends the employer an annual statement specifying the final contribution. If it is anticipated that the payroll used as the basis for the advance contribution changes substantially, the employer should inform Tapiola Pension, so that the advance contribution can be modified to correspond to the final TyEL contribution as closely as possible.

The payroll that the advance contribution is based on can be reported, and changes of payment method made

- through online services at elake-tapiola.fi (in Finnish), or
- by calling the TyEL service number +358 9 453 3680

The chosen number of advance instalments and months of payment affect the amount of total payment

The employer can choose the number of advance instalments and the months of payment as follows:

Month of payment of the first instalment	Number of instalments
January	payment in 12, 6, 4, 3, 2 or 1 instalment(s)
February	payment in 4, 3, 2 or 1 instalment(s)
March	payment in 4, 3, 2 or 1 instalment(s)

Rebates are calculated for advance payments in accordance with the technical rate of interest. Therefore, the chosen months of payment affect the total amount payable. If the payment instalments are mainly scheduled for the early part of the year, the amount of advance contributions is lower than if the instalments are paid mainly during the latter part of the year. With the TyEL instalment calculator in the Corporate Online Services, you can estimate the effect of the number of instalments on the total amount to be paid.

An example of the effect of months of payment

The chosen months of payment have the following effect for an employer, whose annual payroll is one million euros (a technical interest rate of 4.50% is used in the example):

- if the employer pays the entire TyEL contribution in January, the advance contribution totals EUR 220,614
- if the employer pays in twelve instalments starting in January, the total sum of the advance contribution is EUR 225,967
- if the employer pays in four instalments starting in March, the total sum of the advance contribution is EUR 225,961

Monthly notification technique

An employer using the monthly notification technique reports the paid wages monthly. The following data must be reported when using a monthly notification:

- employee's first name, last name and personal identification number
- pay month

- the TyEL wages paid to an employee during the said month.

The start and end dates of employment are not reported. The monthly notification technique cannot be used by an employer with one or more employment relationships under their TyEL insurance that started prior to year 2005 and are still in force.

The monthly notification can be submitted to Tapiola:

- through Tapiola's online services at elake-tapiola.fi (in Finnish)
- as a Tyvi fire transfer; further information is available at tyvi.org
- with a monthly notification form which can be ordered from tyel@tapiola.fi

Contributions of an employer reporting monthly

An employer submitting monthly notifications reports a month's actual wages paid to Tapiola Pension by the 5th of the month following the wage payment and receives an invoice for the contribution. These contributions are TyEL advance contributions. The final contribution is reviewed during the following spring in Tapiola Pension's annual calculation. An employer submitting monthly notifications does not submit a separate annual notification.

Changing the notification technique

The notification method can be changed between monthly and annual notifications at the turn of a year. Changing the notification technique in the middle of the year is only possible if the insurance company changes or if the insurance is divided into personnel groups. If you would like to change your notification technique the change must be made in writing by the end of November. In this case, the change will come into effect at the beginning of the following calendar year. The notification can be made through the online service at elake-tapiola.fi (in Finnish).

Contract employer and TyEL contribution in 2011

All insurance companies determine the TyEL contribution using the basis confirmed by the Ministry of Social Affairs and Health. The entire contribution is collected from the employer, who withholds the

employee's share from the wage. For 18 to 52-year-olds, the share is 4.7% and for 53 to 67-year-olds, 6.0%. The employee's share increases at the beginning of the month following the month when the employee turned 53. The employer may withhold the employee's share of the employee pension contribution retrospectively in connection with two subsequent wage payments, if the sum was not withheld due to an obvious error.

The size category of the employer affects the determination of the TyEL contribution. In 2011, companies with a maximum payroll of EUR 1,788,000 in 2009 are classified as small employers. Companies larger than this are considered large employers.

The 2011 TyEL contribution of small employers before bonus and possible group discount will be 22,5%. Small employers belonging to a larger group of companies receive a group discount, the amount of which depends on the size of the group.

The TyEL contributions of large employers are additionally based on the employer's disability pension contribution category, unemployment pensions granted, bonus and group discount.

The TyEL contribution of large employers before bonus and group discount is an average of 22,4% but varies depending on the company, typically ranging from 22 to 27%.

At the beginning of December of the previous year and again in the spring, and in connection with the previous year's annual statement, a contract employer receives an advance premium notification specifying the payroll on which the advance contribution is based and the contribution percentage. The final contribution percentage is confirmed in the annual statement and is presented in the contribution itemisation of the annual statement.

How does an occasional employer arrange earnings-related pension insurance?

An occasional employer does not conclude an insurance contract. Employee data can be reported easily through our free of charge Palkka-apuri service at elake-tapiola.fi (in Finnish).

The following data are reported:

- employer's name and address, as well as the personal identification code/business ID
- the wages paid to an employee by pay month

The employer pays the TyEL contribution in the internet bank after having completed the notification.

An employer can be occasional if it has no permanent staff and the employees' total payroll over a six-month period is less than EUR 7,518. If it so wishes, such an employer can conclude an insurance contract and act as a contract employer.

An occasional employer arranges employees' pension insurance by reporting paid wages to Tapiola Pension monthly.

Occasional employer's TyEL contribution in 2011

All insurance companies determine the TyEL contribution using the basis confirmed by the Ministry of Social Affairs and Health. For occasional employers, the contribution is 23% of the payroll.

The entire contribution is collected from the employer, who withholds the employee's share from the wage. For 18 to 52-year-olds, the employee's share is 4.7% and for 53 to 67-year-olds, 6.0%. The employee's share increases at the beginning of the month following the month when the employee turned 53. The employer may withhold the employee's share of the employee pension contribution retrospectively in connection with two subsequent wage payments, if the sum was not withheld due to an obvious error.

Occasional employer's notification methods

Occasional employers can arrange TyEL pension insurance for their employees conveniently at Tapiola Pension's Palkka-apuri service at elake-tapiola.fi (in Finnish). When you report the employees' personal and salary data, Palkka-apuri calculates the insurance contribution automatically. The service automatically guides you to pay the pension insurance contribution using your own online banking service.

If you do not have an internet connection available to you, you may report the paid wages to our TyEL customer service by telephone at 09 453 3680 (Mon-Fri 8am-4.30pm).

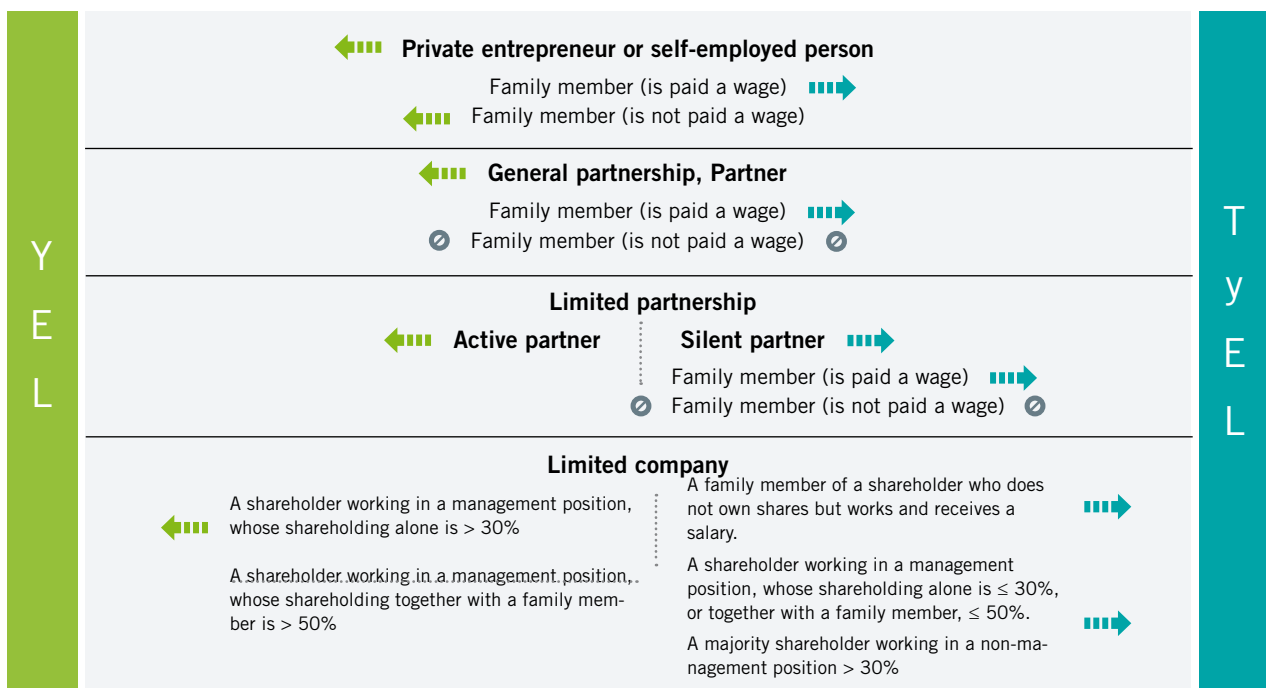
The impact of changed company form or ownership on insurance

Self-employed or employee?

The definition of an entrepreneur has changed as of the beginning of 2011 in such a way that under the new law, a shareholder working in a management position, who holds a minimum of 30% of the company's shares or votes, is considered an entrepreneur.

The figure below explains how the form of company and company ownership affect pension insurance.

YEL or TyEL?



⊗ symbols indicate that a family member who works without receiving a wage is excluded from statutory pension insurance.

Acquisitions and insurance

Change of ownership affects pension insurance in the following manner:

- When private entrepreneurs or self-employed persons sell their businesses, their TyEL insurance policies are terminated. The new owner may either include the employees being transferred to his/her company in his/her currently valid insurance policy or take out a new insurance policy.
- When partners in a general partnership or a limited partnership change, the insurance policy is only kept in force if the same company continues its operations. Details of the new partners are reported to Tapiola Pension.
- Changes in the ownership of a limited company do not need to be reported to the insurance company, unless they affect the shareholders working in the limited company being transferred from TyEL to YEL or vice versa.

In the event of a limited company being merged with another, the receiving company is responsible for the insurance contributions of the merging company. After the merger, either the merging company's insurance can continue in the name of the receiving company, or the merging company's insurance policy is terminated and the employment relationships are included in the receiving company's TyEL insurance policy. In this case, transfer termination is reported as the reason for the end of the employment relationship.

If the company is sold and the employees are transferred under the new owner's TyEL insurance, the insurance company is notified of the date of transfer to the service of the employer, wages up to the transfer date and the receiving company's insurance details. If a company is demerged in such a way that all assets and liabilities are transferred to two or more receiving companies and the demerging company is dissolved, the insurance policy of the demerging limited company is terminated and insurance policies are concluded for the new companies. If a demerging company continues its operations, but a proportion of the demerging company's assets and liabilities are transferred to two or more receiving companies, the demerging company's TyEL insurance policy continues and each new company takes out a new insurance policy.

Integration of two TyEL insurance policies

If an employer has TyEL insurance policies with several companies, the policies can be integrated into one TyEL insurance policy at Tapiola Pension. This makes management of the insurance policies easier

and brings additional loyalty benefits. An insurance policy with another company can be transferred to Tapiola Pension as of the first day of January, April, July or October by delivering a transfer application to our company three months before the said date. A prerequisite for transferring an insurance policy is that the policy has been valid for a minimum of one year. Application forms are available from Tapiola's contact person or at elake-tapiola.fi.

Closure of business operations

An employer may terminate a TyEL insurance policy, if the operations of the company are closed down or the employer no longer has employees covered by TyEL. The policy may remain valid for twelve months free of charge, if it is known that new employees who are to be covered by TyEL will be hired during that time. The insurance policy is terminated by a written notification to Tapiola Pension. An employer submitting annual notifications prepares a termination notification on all employment relationships, specifying each employee's actual earnings and the end date of the employment relationship.

Manager of the insurance policy and recipient of confidential information

An employer may nominate a manager for its TyEL insurance policy, to whom all documents relating to the insurance policy, such as invoices and annual statements, are addressed.

It is also possible to nominate in the insurance policy a so-called recipient of confidential information, to whom the insurance policy's material concerning pay details is sent.

Insuring an employee dispatched abroad by a Finnish company

Before an employee goes on a secondment, it is advisable to assess the employee's and his/her family's health and life risks. In good time before the start of the secondment, the employee's and accompanying family members' Finnish social security cover should be established, which includes:

- work-based benefits, i.e., earnings-related pension insurance and employers' liability insurance
- residence-based benefits granted by the Social Insurance Institution, such as survivor's pension, maternity and paternity allowance, child

allowance, sickness allowance, as well as costs of medical treatment.

The validity of social security benefits is affected, amongst others, by:

- whether or not Finland has a social security agreement with the posting destination
- the duration of the secondment
- whether or not the employee can be considered as a seconded employee

Insurance in countries with a social security agreement

The countries with agreements are the EU and EEA countries as well as Switzerland. In addition, Finland has made bilateral social security agreements with Australia, Chile, Israel, Canada, Quebec and the USA. The main principle is that the employee is insured in accordance with the legislation of the country in which he/she is working and that he/she is covered under the posting country's social security system.

An exception is, however, a so-called dispatched employee who is covered by the Finnish social security system during the entire secondment, subject to him/her fulfilling the following conditions:

- is covered by the Finnish social security system when leaving to work abroad
- working abroad is temporary (1 to 5 years)
- the employment relationship with the Finnish dispatching employer remains valid for the duration of the secondment

The employer must apply for a certificate of coverage by the Finnish social security A1 for its employee sufficiently early before the start of the secondment. With the certificate, the employer and the employee are exempted from social security contributions in the country of posting. The certificate is collected from the Finnish Centre for Pensions at etk.fi.

Tapiola's international insurance service also offers additional information about insuring persons working abroad, tel. +358 9 453 3732.

Insurance in countries without a social security agreement

Countries without a social security agreement include Russia, China, Japan and Brazil. When an employee's secondment is to a country with which Finland does not

have a social security agreement, he/she is insured in accordance with the posting country's legislation. Furthermore, the employee must also be insured in accordance with the Finnish employee pension legislation when

- the employer's domicile is in Finland
- the employee has been dispatched from Finland
- the employee is covered by the Finnish social security system at the start of the secondment

An employee sent to a country without a social security agreement must often be insured both in Finland and in the country of posting. Therefore, it is advisable to establish from the country of posting's authorities whether exemption from social security premiums can be granted on the basis that the employee in question is insured in Finland. Exemption from premiums can be obtained by showing the country's authorities a "to whom it may concern" statement from the pension insurance company confirming that the employee is covered under the Finnish social security system during the secondment. When an employee has worked in a country without a social security agreement for two years, the employer may apply to the Finnish Centre for Pensions for an exemption from insurance in accordance with TyEL.

For more information on such cases, please contact the Finnish Centre for Pensions.

Social security-related contributions in Finland

When an employee is covered by the Finnish social security system during the secondment, the employer must pay the following premiums in Finland:

- earnings-related pension premium
- employers' liability insurance premium
- unemployment insurance contributions
- employer's social security contribution
- employees' group life insurance premium

Pensionable earnings safeguard the pension level

In employment abroad, the earnings forming the basis of pension are called pensionable earnings. Pensionable earnings are also the basis for insurance premiums. Irrespective of the country of posting, it applies to the work of employees dispatched abroad from Finland and insured in accordance with the Finnish Employees Pensions Act and Employment Accidents Act.

The employer and the employee must jointly determine the amount of pensionable earnings before the

start of the secondment, if the duration of the secondment is longer than six months. It is advisable to always specify the pensionable earnings in euros in the secondment agreement. The employer must notify the employee pension insurance company and the accident insurance company of the amount of pensionable earnings. It is also advisable to provide a detailed breakdown of the pensionable earnings in the agreement.

Pensionable earnings cannot be freely agreed on; they must be in accordance with the Employees Pensions Act. As a rule, pensionable earnings must be equivalent to the wages that would be paid for similar work in Finland. The intention of this is to guarantee the employee a pension corresponding to the Finnish level.

Residence-based benefits

As rule, a person residing in Finland remains covered by Kela benefits if the duration of working or residing abroad is a maximum of one year. Kela must, however, always be notified of any period of working or residing abroad, as well as of the return to Finland.

Premium lending

TyEL insurance policyholders are entitled to lend a part of the accumulated premium fund from the insurance company. The premium lending right does not, however, apply to the portion of the fund relating to the employees' pension premiums. The smallest premium loan that can be drawn is EUR 10,000. The loan period for premium loans can be 1 to 10 years. A security is always required for such a loan. The loan is usually amortised twice a year in equal instalments.

The reference rate for premium loans is the TyEL loan interest. The loan's interest rate may be fixed or variable. The current level of interest rates can be checked, e.g., in Kauppalehti and at garantia.fi.

In premium loan and insurance matters, please contact our Tapiola Pension's Corporate Financing Services, tel. +358 9 453 3400.

Preventive support to the work community from workplace well-being services

Tapiola Pension offers workplace well-being services to promote TyEL customer companies' productivity, profitability and competitiveness by enhancing employees' well-being.

The tasks of well-being at work services are to:

- help the work community to identify the factors affecting well-being at work and to create methods of improvement that correspond to their needs
- reduce the employer's costs resulting from disability and to prevent premature retirement
- promote a positive working atmosphere

Our expert services include, e.g.:

- Training of groups promoting well-being at work
- Wellness at work surveys and reports
- Participating in preparing wellness at work plans and planning development measures
- Start-up, monitoring and evaluation of wellness at work projects
- The eTyky online tool for monitoring and facilitating well-being at work
- Support and training relating to wellness at work
- Offering partnership and expert networks
- Wellness at work seminars
- Articles for customers' publications

For further information, please contact Tapiola's contact person.

Rehabilitation within the earnings-related pension scheme

TyEL-insured employees are entitled to vocational rehabilitation, if a diagnosed illness is likely to cause a risk of disability within the next few years. The assessment of the relevance of rehabilitation takes into account the employee's age, education, profession, earlier activities, established position in working life and whether the vocational rehabilitation in question is likely to lead to staying on at work or returning to work.

Opportunities for rehabilitation are also always examined in conjunction with disability pension applications. Rehabilitation is a cost-efficient solution for the employee and the employer alike. If rehabilitation needs are identified early and vocational rehabilitation is started in time, this prevents or delays the employee from going on disability pension. Therefore, the costs incurred by disability pensions are also reduced.

What is rehabilitation?

- work trials, when the suitability of a new job is assessed or the rehabilitee is switching jobs, or

when support is needed for returning to work after a long sick leave

- job coaching to learn a new job
- courses and additional or supplementary training to develop skills required in a new job that is suitable for the person's health

For more information on vocational rehabilitation, please call +358 9 453 3651.

Amount of pension

As of the beginning of 2005, pension is accrued from work as follows

- 1.5% per year for persons aged 18 to 52
- 1.9% for persons aged 53 to 62
- 4.5% for persons aged 63 to 67.

The old provisions and accrual rates are applied to employment taking place prior to 2005. In addition to working, subject to certain preconditions, pension is also accrued during unpaid periods, such as child care, unemployment, studies or illness. More information on accrual of pension during unpaid periods is available at tapiola.fi/elaketurva. Knowledge of the amount of personal accrued pension helps to estimate the sufficiency of personal pension cover in relation to the desired standard of living.

Online pension Service

The online pension service at tapiola.fi/elakepalvelu includes the following services:

- Checking the personal pension record
- Possibility to replace the paper pension record with an electronic one
- Estimate of future pension
- Applying retirement pension

In addition, the online pension service may be used for

- Ordering pension card and certificate
- Notifying change of address
- Notifying change of tax rate
- Notifying the bank account for pension payment.

The service is free of charge and secure. Customers can sign in with the credentials of their own bank.

Pension types

The different types of pensions and their age limits are listed below. More information on pensions is available at tapiola.fi/elaketurva and tyoelake.fi. The contact details for pension guidance are listed on the back cover of the brochure.

Old-age pension

It is possible to retire on an old-age pension flexibly between the ages of 63 and 68. The age limit for national pension is 65.

Early old-age pension

It is possible to retire on an early old-age pension at the age of 62, but this will reduce your pension permanently. The pension is reduced by 0.6% for each month that the pension is taken prematurely. This means that if you retire one year before the standard retirement age, your pension will be permanently reduced by 7.2%. Moreover, no pension will accrue for that year, reducing your pension by an additional 1.9%.

Part-time pension

A full-time employee can take part-time pension at the age of 58 years at the earliest. As of 2011, the age limit is 60 years for persons born after 1952. Switching to part-time work involves an agreement that has to be negotiated with the employer. The employer is not obliged to arrange part-time work, but a lighter work load often improves the employee's possibilities to remain healthy and stay on at work for a longer time. Part-time pension partly makes up for the lowered earnings when an employee in full-time employment goes on a part-time pension.

Rehabilitation

A person is entitled to vocational rehabilitation if an illness is likely to cause a threat to the person's ability to work in the coming years. Opportunities for rehabilitation are also always reviewed in conjunction with disability pension applications.

Disability pension

Employees are entitled to disability pension if they become ill and are unable to stay on at work despite rehabilitation. The employee's ability to work must have been reduced due to an illness, disability or handicap in such a way that he/she is unable to work for a period of at least one year. A disability pension can be granted for a fixed period or until further notice. If the employee retains some ability to work, he/she can be granted a partial disability pension. Medical statement B must be enclosed with the disability pension application.

Survivors' pension

Survivors' pension provides security to the family in the case of death. A survivors' pension can be paid to the surviving spouse, partner in a registered relationship and children under 18 years of age. Survivors' pension is affected by the widow's or widower's personal earnings or pension.

Unemployment pension

Unemployment pension can be granted to persons born before 1950. The requirements are that the applicant is at least 60 years old, has received unemployment allowance for the maximum period of 500 days before the pension and that the person has worked in a job entitling to pension for at least five years in the preceding 15 years. When applying for unemployment pension, the applicant needs certificates from the party paying the unemployment allowance and from the employment authority.

Persons born after 1946 are not entitled to unemployment pension. In addition, they may receive unemployment allowance or labour market support until the age of 65 provided that certain conditions are fulfilled.

Working while on earnings-related pension

A person receiving an earnings-related pension can work also during retirement. Those on old-age pension and early old-age pension do not have any earnings limits. Also those on other types of pension can work, as long as the income does not exceed the earnings limits specified below. If the earnings limits are exceeded, the pension can be revoked or suspended.

Pension type	Earnings limit
Full disability pension	A maximum of 40% of pensionable wages/average monthly earnings however, minimum EUR 687.74.
Partial disability pension	A maximum of 60% of pensionable wages/average monthly earnings however, minimum EUR 687.74.
Unemployment pension	A maximum of EUR 656.08 per month.
Part-time pension	The monthly earnings must be 35-70% of the regular earnings level. The confirmed income of an entrepreneur continuing the entrepreneurial activity must be 50% of the average income.

Applying for pension

Information on applying for all types of pensions is available at tapiola.fi/elaketurva. Application forms can also be filled in and printed at the same address. Forms are also available at Tapiola and Kela offices. Send the pension application to the following Tapiola's address:

Tapiola Pension
Pension Service
P.O. Box 9
FI-02010 TAPIOLA

TyEL wages guide

Wages or other payments	Included in the TyEL wages?
Initiative rewards	
• connected with work included in the job description	YES
• separate from work performance, not connected with daily work or comparable to long-term development work or invention	NO
Bonus, merit pay	YES
Earnings alongside a pension	
• concerning work done alongside a pension as of 1 January 2005	YES
• earnings of a person that retired before 1 January 2005, if the person continues in the same employment relationship	YES
• the person has turned 68 years (the employment relationship ends at the end of the month of the employee turning 68)	NO
Personnel benefits	NO
• for example, personnel discounts, free or discounted travel, personnel loans granted at a reduced rate of interest	
Personnel funds	NO
• profit share payments made into the personnel fund and fund units drawn by a member, profit-share units drawn in cash	
Pay during notice period, damages, compensation at the end of an employment relationship not based on law	
• for the statutory period (a maximum of six months)	YES
• special period of notice (bankruptcy and structuring situations, 14 days)	YES
• period exceeding six months	NO
• damages for not complying with a period of notice	NO
• compensation for wrongful dismissal	NO
• compensation for unlawful cancellation of an employment contract	NO
• compensation corresponding to notice period pay to a person who has terminated his/her employment contract/whose employment contract has been terminated during a layoff (when the person is not working during the period of notice)	NO
• voluntary or contract-based compensation for terminating an employment contract	NO
• golden handshake or redundancy pay	NO
House manager's fees	YES
• The fees are reported on the property management company's annual notification even if they have been paid direct to the house manager by the housing company (substitute payer)	
Inventions	NO
Writer's fees	
• the employee has written for a publication or personnel magazine published by the employer	YES
• articles written independently for other magazines	NO
Commission	YES
Home care subsidy	YES
• Wages paid by a family to a child minder in an employment relationship and private home care subsidy paid directly by the Social Insurance Institution. If a child minder's salary has been agreed to be paid in such a way that the home care subsidy and the additional municipal subsidy form a part of the wages, such a municipal subsidy is also considered pensionable earnings, even if the municipality pays it directly to the employee.	
Compensation for expenses	
• e.g., per diems received for a business trip, compensation for meals, work clothes, work equipment, or moving costs	NO

Wages or other payments	Included in the TyEL wages?
<ul style="list-style-type: none"> when the compensation paid exceeds the actual expenses and the excess is considered as wages in payroll taxation 	YES
Profit share paid in cash	
<ul style="list-style-type: none"> paid to the entire personnel 	NO
<ul style="list-style-type: none"> paid to a certain limited personnel group or certain individual workers 	YES
Translation fees	
<ul style="list-style-type: none"> if the translator is in an employment relationship 	YES
<ul style="list-style-type: none"> if the translator is not in an employment relationship 	NO
Gifts	
<ul style="list-style-type: none"> customary gifts of an object or money (birthday or other personal reason) 	NO
<ul style="list-style-type: none"> compensation or gift granted on the basis of service years 	YES
<ul style="list-style-type: none"> money given as gifts or due to a special occasion, which the employer pays its employees in accordance with an agreement or established practice (e.g., Christmas bonus or 13th month's wages) 	YES
Lecture and talk fees	
<ul style="list-style-type: none"> for work performed in an employment relationship 	YES
<ul style="list-style-type: none"> individual fees that have not been received in an employment relationship 	NO
Perquisites	YES
Fees for positions of trust	
<ul style="list-style-type: none"> the person is in an employment relationship with the company at the same time 	YES
<ul style="list-style-type: none"> the person is not in an employment relationship with the company: <ul style="list-style-type: none"> -- The employee has been insured voluntarily. In this case, employee's pension contribution is withheld from the fee 	YES
<ul style="list-style-type: none"> -- The employee does not have voluntary insurance cover. 	NO
Voluntary insurance can be taken out for the position of trust retroactively, at the earliest from the start of the preceding calendar year.	
Wages during pregnancy	NO
<ul style="list-style-type: none"> when an employee's wage payment has been delayed, a payment equivalent to the payment of interest 	
Salary receivables confirmed with a court judgement	YES
<ul style="list-style-type: none"> to the extent it would be taken into account if paid by the employer 	
Thesis, dissertation, master's graduate thesis	
<ul style="list-style-type: none"> compiled during an employment relationship 	YES
<ul style="list-style-type: none"> not compiled during an employment relationship 	NO
Wages during apprenticeship or training	YES
Options	NO
Equity issue	
<ul style="list-style-type: none"> if concerning the majority of the personnel 	NO
<ul style="list-style-type: none"> if only concerning a part of the personnel (not a question of a personnel benefit but compensation for work performed) 	YES
Share incentive	
<ul style="list-style-type: none"> compensation paid on the basis of share incentive schemes, if the share incentive scheme is comparable to other merit pay schemes as regards their determination criteria 	YES
<ul style="list-style-type: none"> if the value of the benefit is dependent on the development of the share value and there is a minimum of one year between promising the reward and receiving it 	NO
Dividends and profit share	
<ul style="list-style-type: none"> Profit share or dividend received by a shareholder covered by TyEL 	NO

Wages or other payments	Included in the TyEL wages?
<ul style="list-style-type: none"> • payments made as wages 	YES
Wage increments and increases	YES
<ul style="list-style-type: none"> • for example, seniority increment, increment for inconvenient working hours or conditions, extra compensation for shift work • for example, compensation for years of service, weekly rest, stand-by, midweek holidays or free shifts • days off paid in money 	
Service charges, tips	YES
Basic salary	YES
Commission	
<ul style="list-style-type: none"> • commission less expenses (i.e., taxable commission) 	YES
<ul style="list-style-type: none"> • an employee working on commission only, not in an employment relationship but working as an entrepreneur 	NO
Recruitment reward, tip reward	
<ul style="list-style-type: none"> • paid to a person in an employment relationship with the company 	YES
<ul style="list-style-type: none"> • reward paid to an external provider of a tip 	NO
Royalty, fee for a right of use	NO
Sick pay and sickness allowance	
<ul style="list-style-type: none"> • sick pay 	YES
<ul style="list-style-type: none"> • daily allowance in accordance with the Health Insurance Act 	NO
<ul style="list-style-type: none"> • supplementary daily allowance paid by the employee sickness fund 	YES
<ul style="list-style-type: none"> • continued daily allowance paid by the employee sickness fund 	NO
<ul style="list-style-type: none"> • sick pay 	NO
Wages paid by a substitute payer	YES
<ul style="list-style-type: none"> • bankruptcy estate, protection of wages authorities or another payer (the pay is reported under the factual employer's insurance policy) 	
Settlement in an employment dispute	
<ul style="list-style-type: none"> • non-itemised lump sum compensation 	NO
<ul style="list-style-type: none"> • wage receivables have been itemised 	YES
Proportion of a continuous saving life insurance subject to income tax deducted at source	YES
Share of profits	YES
Supplementary daily allowance (also tax-free)	YES
Pensionable earnings from work performed abroad	YES
Voluntary or individual pension insurance policy (paid for by the employer)	YES
<ul style="list-style-type: none"> • to the extent they are considered as wages in taxation 	
Profit holdings, profit distribution payments, profit share payments	NO
<ul style="list-style-type: none"> • if the Annual General Meeting decides to distribute a part of the limited company's profits to the employees 	
Job alternation leave	NO
Compensation relating to annual leave	YES
<ul style="list-style-type: none"> • for example, pay during annual leave, holiday compensation, compensation for carried-over holiday entitlement not taken, various holiday bonuses 	

Key figures 2011

Pension contributions and limit amounts	2011	2010
TyEL contribution, contract employer (without customer bonus)		
• Small employer (total payroll a maximum of EUR 1.788 million in 2009)	22.50 %	21.80 %
• Average contribution for a large employer (total payroll over EUR 1.788 million in 2009)	22.40 %	22.00 %
TyEL contribution, occasional employer		
when the total payroll is less than EUR 7,518 / six months and no employees working constantly	23.00 %	22.40 %
Employee's share of TyEL contribution (employer withholds from wages)		
• For persons aged 18 to 52	4.7 %	4.5 %
• For persons aged 53 to 67	6.0 %	5.7 %
The employer withholds an increased pension contribution from the employee's wages starting from the beginning of the month following the month when the employee turned 53 years old.		
The minimum amount of monthly wages that need to be TyEL insured	EUR 52.49	EUR 51.57
YEL contribution		
• For persons aged 18 to 52	21.60 %	21.20 %
• For persons aged 53 to 67	22.90 %	22.40 %
Entrepreneurs pay an increased contribution as of the start of the calendar month following the month in which they turn 53.		
Contribution for a starting entrepreneur		
• For persons aged 18 to 52	16.20 %	15.90 %
• For persons aged 53 to 67	17.175 %	16.80 %
Limits for confirmed YEL income		
• Lower limit	EUR 6,896.69/y	EUR 6,775.60/y
• Upper limit	EUR 156,625.00/y	EUR 153,875.00/y
An entrepreneur is entitled to part-time pension if his/her regular confirmed income is at least	EUR 13,793.37/y	EUR 13,551.19/y
An entrepreneur is entitled to unemployment allowance if his/her confirmed income is at least	EUR 8,520/y	EUR 8,520/y
MYEL contribution up to a confirmed income of EUR 24,160.65		
• Contribution for an agricultural entrepreneur aged 18 to 52	10.584 %	10.388 %
• Contribution for an agricultural entrepreneur aged 53 to 67	11.211 %	10.976 %
For confirmed income between EUR 24,160.65 and EUR 37,966.79, the contribution rate increases incrementally.		

	2011	2010
MYEL contribution for the part exceeding EUR 37,966.79		
• Contribution for an agricultural entrepreneur aged 18 to 52	21.60 %	21.20 %
• Contribution for an agricultural entrepreneur aged 53 to 67	22.90 %	22.40 %
Accident insurance premium		
• deductible per accident if the insurance has a deductible	EUR 210	EUR 206
• the lowest annual confirmed income that can be considered to be the basis for compensation	EUR 11,540	EUR 11,340
Unemployment insurance contributions		
Employer's unemployment insurance contribution		
• Up to and including a payroll of EUR 1,879,500	0.80 %	0.75 %
• For the part exceeding EUR 1,879,500	3.20 %	2.95 %
• For co-owners	0.80 %	0.75 %
Employee's unemployment insurance contribution		
• For co-owners	0.20 %	0.15 %
Unemployment insurance contributions apply to employees aged 17 to 64.		
Health insurance contributions		
• Employee	2.01 %	2.40 %
• Entrepreneur	2.11 %	2.52 %
• Pensioner	1.36 %	1.64 %
• Employer	2,12 %	2.23 %
Interest		
Technical rate of interest		
1.1.–30.6.	4.50 %	3.50 %
1.7.–31.12.		4.50 %
Penalty interest on delayed contributions		
1.1.–30.6.	8.00 %	8.00 %
1.7.–31.12		8.00 %

Our contact information for services

Tapiola Mutual Pension Insurance Company
P.O. Box 9, FI-02010 TAPIOLA

TyEL and YEL service

tyel@tapiola.fi, yel@tapiola.fi
tel. +358 9 453 3680 (Mon–Fri 8 am–4:30 pm)

- customer advice
- new insurance policies
- termination of insurance policies
- matters related to insurance premiums
- guidance on the use of the TyEL section of the Corporate Online Services
- changes in YEL confirmed income.

Determining whether an employment relationship is within the scope of pension legislation and which pensions act should be applied

tel. +358 9 453 3681

Guidance before the submission of a pension or rehabilitation application

tel. +358 9 453 3651

- advance estimates of old-age, unemployment, and part-time pensions
- advice for employees and entrepreneurs

Pension applications and their handling

- old-age, survivors', unemployment and part-time pension, tel. +358 9 453 3652
- disability, rehabilitation benefit, partial pension and individual early retirement pension, tel. +358 9 453 4333
- vocational rehabilitation, tel. +358 9 453 4325

Payment of pension

tel. +358 9 453 3650

International insurance service

tel. +358 9 453 3732

TyEL premium loans and guarantees

Tel. +358 9 453 3400

Corporate service numbers

tel. +358 1019 5101 (Mon to Fri, 8 am to 6 pm)

tapiola.fi/english

- forms and additional material on pension-related matters (in English)

tapiola.fi/yritysasiakkaat

- all services for corporate customers from the same address (in Finnish)

tapiola.fi/elake

- up-to-date information on TyEL and YEL insurance (in Finnish)

tapiola.fi/elaketurva

- information on pension insurance and the pension record, as well as an electronic pension service where you can handle and calculate your personal pension estimate (in Finnish)

tapiola.fi/esittely

- handling of insurance-related matters online with your personal user IDs (in Finnish)

tyoelake.fi

- information on pension insurance (in English)

etk.fi

- website of the Finnish Centre for Pensions (in English)

telk.fi

- Pension Appeal Court (in Finnish)

Make use of Tapiola's online services

Taking care of insurance matters is easier when you make an online service agreement with Tapiola. The online service is free of charge and the persons nominated as users can access the service with their personal banking codes. The service accepts the banking codes of all Finnish banks.

If the service is not yet used in your company, you can get acquainted with it at tapiola.fi/esittely (in Finnish) and make an online agreement. An agreement can be made by a person who is entitled to sign for the company according to the Trade Registry.

In addition, you can notify changes other than pay detail changes, check your insurance situation and file claims, as well as view the company's health and safety statistics.

Tapiola wants to decrease its environmental and climate impact, which is why we are increasing online services, developing eco-efficient work methods and also want to encourage our customers to act responsibly.