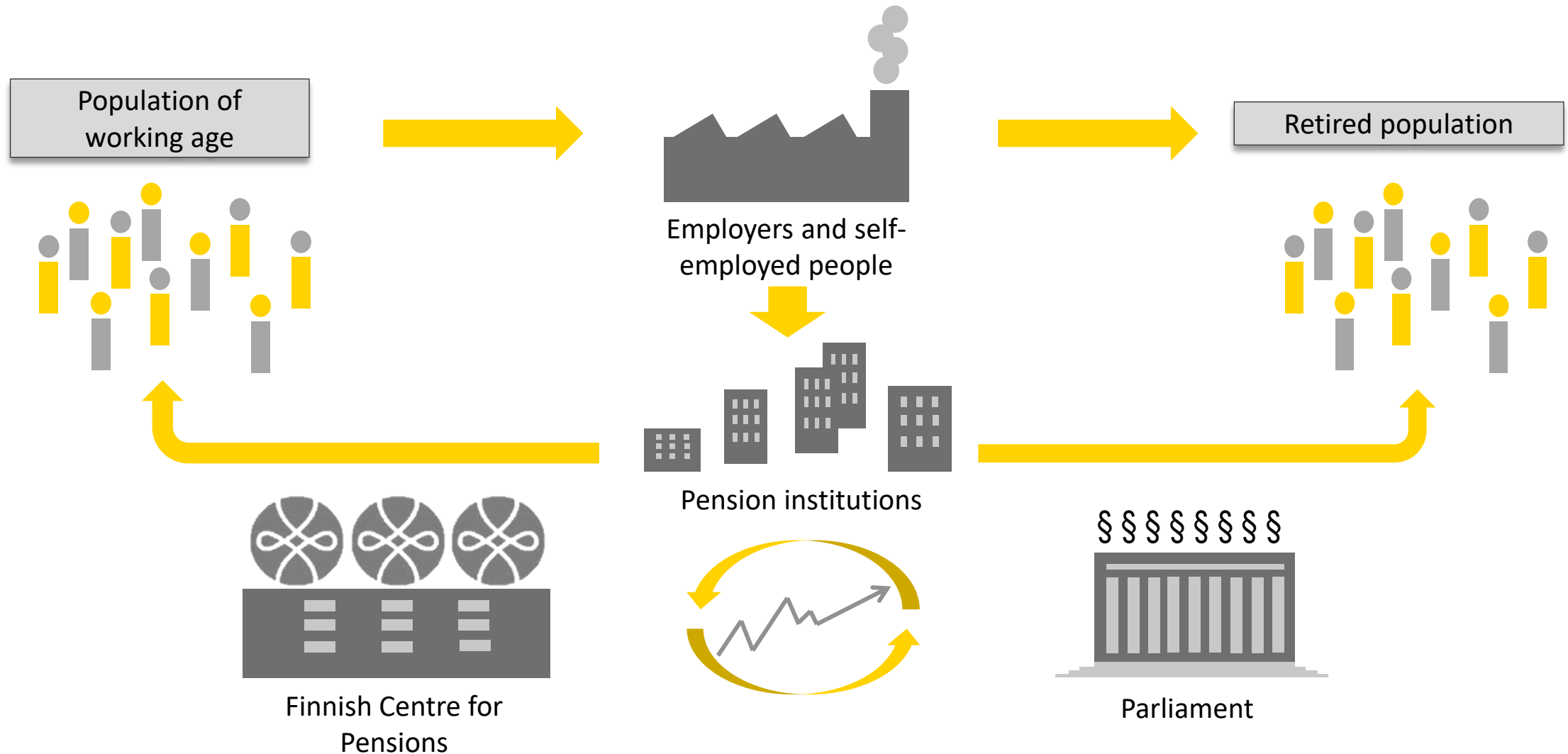




**Pension insurance of self-employed persons
and the effects of YEL on social security 2022**

The employment pension system in Finland



Employment pension market in Finland

YEL and TyEL insurance

YEL 200,000
Entrepreneurs

TyEL 1,500,000
Employees on the
private sector



ILMARINEN

VARMA



VERITAS



ELÄKESÄÄTIÖYHDISTYS

Others

JuEL 700,000
Public sector

MEL 6,000
Sailors

MYEL 70,000
Agricultural
entrepreneur

What is YEL insurance?

- A self-employed person insures themselves with a pension insurance known as YEL insurance
- Insurance is mandatory when the self-employed person meets the eligibility criteria under the Pensions Act
- The social security of a self-employed person is based on YEL earned income
- The self-employed person is responsible for taking the YEL insurance and is personally responsible for paying the insurance premiums.



Contents

- 1 Principles of YEL insurance and identifying a self-employed person eligible for YEL
- 2 Definition of YEL earned income
- 3 Effects of earned YEL income
- 4 Insurance in practice



A man with a beard and glasses is looking directly at the camera with a surprised expression. In the background, a birthday cake with candles is visible on a table, suggesting a party or celebration. The image has a soft, slightly blurred quality.

Principles of YEL insurance and identifying a self-employed person eligible for YEL

YEL is for people who

- are 18–68 years of age, and
- earn income, but are not in an employment relationship or hold an office or other post governed by public law, and
- Entrepreneurial activity has lasted at least four months

without interruptions during which:

- their YEL earned income at an annual level has been at least EUR 8,261.71 (2022)



Age limits for YEL insurance

- **The lower limit is 18 years of age**
 - ➔ The obligation to take out insurance starts from the beginning of the month following the person's 18th birthday
- **Upper limits:**
 - **68 years** for people born in 1957 and earlier
 - **69 years** for people born between 1958 and 1961
 - **70 years** for people born in 1962 and later
- ➔ The obligation to take out insurance ends at the end of the month the person reaches the upper age limit

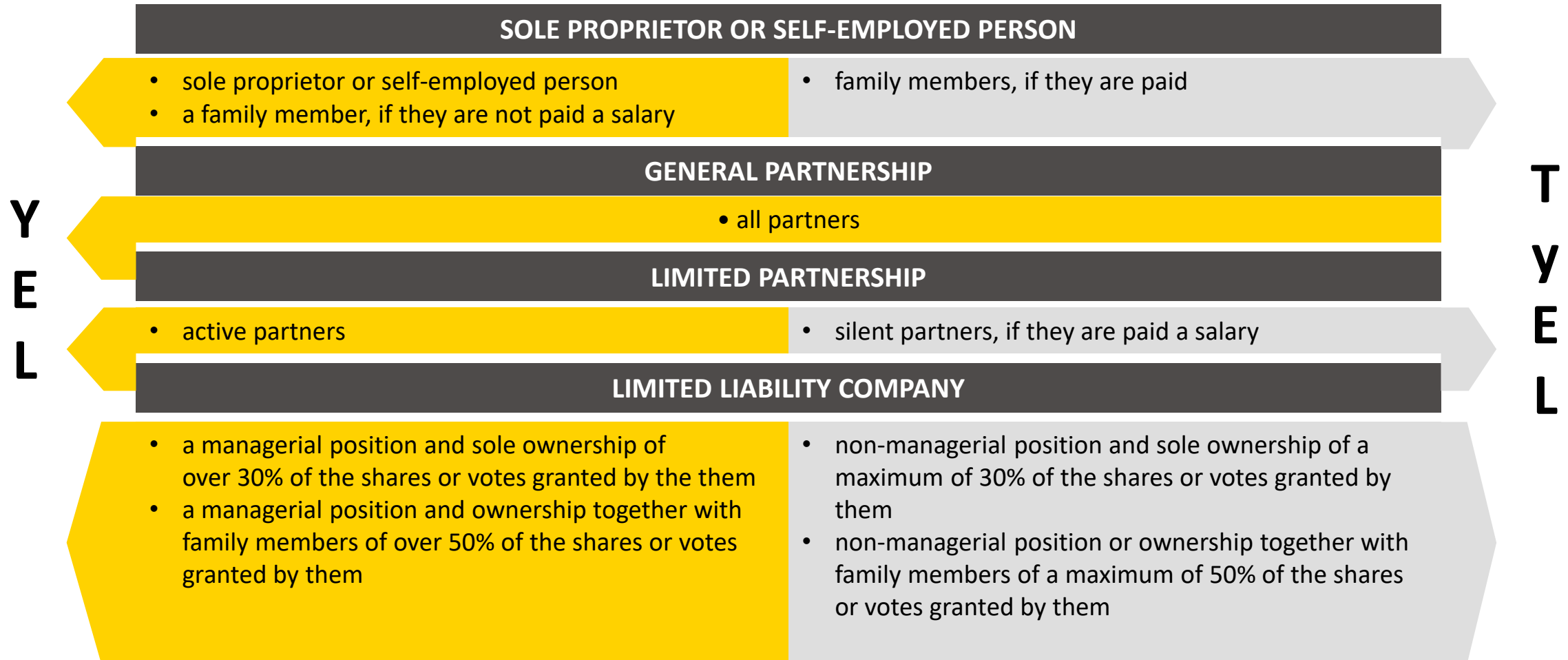


A self-employed person | Earns income without being in an employment relationship or holding an office or other post governed by public law

- **Typical characteristics**
- Works without an employment contract
- Works on their own account without supervision and management
- Can choose their working hours and location freely
- Owns the production inputs and tools
- Ties capital to the operations
- Exposes themselves to the risk of loss
- Owns any profit generated



YEL or TyEL?



According to YEL, a family member

- Lives in the same household with the self-employed person
- Is a direct ascendant or descendant of the self-employed person or their spouse
- Is the self-employed person's adopted child or spouse
- Also an unmarried partner is considered a family member, even if the couple has no children
- Siblings are not considered each others' family members, even if they live in the same household

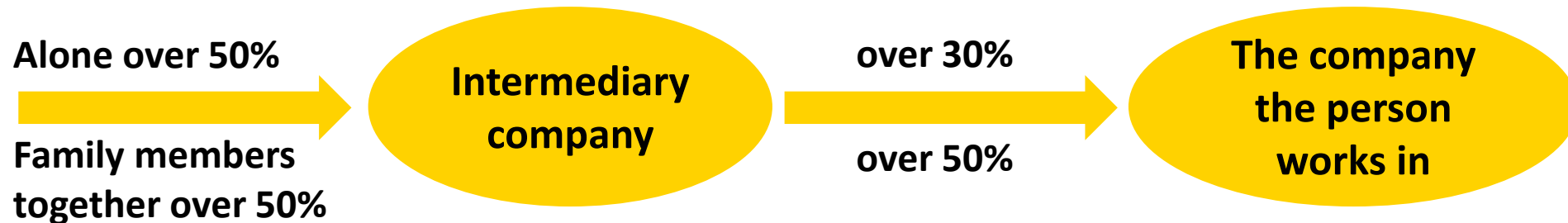
Managerial position

- Actual member of the Board of Directors
- CEO
- Other person operating in a managerial position
- The right to sign on behalf of the company (procuration)
- Small family-owned businesses
 - ➔ Usually all owners are considered to hold a managerial position
- Authorisation to make commitments on behalf of the company



Indirect ownership

- The calculation of the share of ownership which a person has of a company also takes into account indirect ownership via other entities or consortia.
- Owns more than half of an intermediary company or has an equivalent control of the company, either alone or with family members



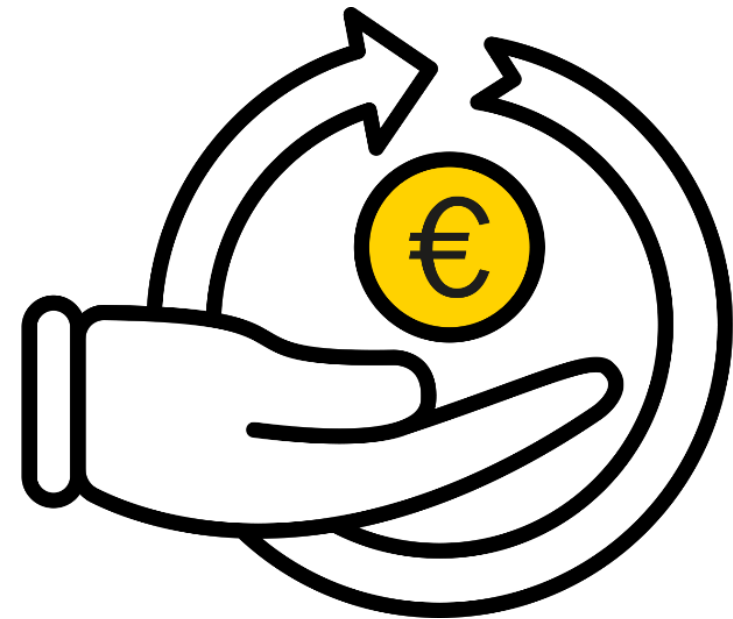
Entrepreneurial activities without a business ID (so-called light entrepreneurship)

- A YEL insurance can also be taken even if the self-employed person has no valid business ID
- **People working through invoicing service companies should be insured with YEL insurance, if the other conditions for insuring the person are met.**



Discount for a beginning entrepreneur

- A first-time entrepreneur gets a 22% discount off the insurance premium for the first 48 months.
- If the first entrepreneurial period does not use all discount months, they will be available in the next insurance period. However, discount months remaining after the second entrepreneurial period will not be transferred further.



YEL insurance premiums 2022

Payment percentages

<ul style="list-style-type: none">• a self-employed person 18–52 years of age• A first-time entrepreneur	24.10% 18.798%
<ul style="list-style-type: none">• a self-employed person 53–62 years of age• A first-time entrepreneur	25.60% 19.968%
<ul style="list-style-type: none">• A self-employed person, 63 years of age or older• A first-time entrepreneur	24.10% 18.798%

Earned income limits

<ul style="list-style-type: none">• Lower limit• Upper limit	EUR 8,261.71 EUR 187,625
<ul style="list-style-type: none">• Unemployment security	EUR 13,573



Tax-deductibility of YEL insurance premiums

- YEL insurance premiums are completely deductible in taxation
- Payments personally paid by the self-employed person are deducted from personal taxes
- The deduction is family-specific: also the spouse can deduct the premiums from their earned income
- Premiums paid by a company are deducted from the company's taxes
- The actual payer of the premiums is not significant, what matters is the party recorded as a payer for the insurance

Definition of earned income

Definition of YEL earned income

“Earned income is the salary that should be reasonably paid if the self-employed person had to hire another person to perform the entrepreneurial operations referred to in this Act, with the person having the same level of professional skill or the compensation that could be otherwise considered to correspond to the said work.”

YEL section 112, subsection 1



Determining the correct level of earned income

- **The amount of earned income must correspond to the entrepreneur's work input in the company**
 - This amount must correspond to the salary which the entrepreneur would pay to an equally skilled worker to replace them.
- **The earned income must be in line with the average level in the industry**
 - For example, the Your Guide to Earnings-related Pensions 2020 of the Finnish Centre for Pensions can be used as an aid in determining the earned income.
- **Earned income is influenced by the number of hours worked, turnover of the company and possible seasonal nature of the operations.**
- Earned income is determined at an annual level also when the insurance is valid for only a part of the year. The insurance premium is paid for the period of validity of the insurance
- If a person has more than one company, a single YEL insurance cover all YEL-eligible activities of the entrepreneur and the earned income is calculated as the sum of all such activities.

Confirming the YEL earned income

- The pension company confirms the earned income at the beginning of the insurance
- The pension company issues a written decision on the confirmation of the earned income
- The decision can be appealed against in 30 days (+7 mail carrying days) from the issuance date
- Confirmed earned income cannot be changed retroactively



Example of determining the right level of earned income



Person A

- A physician who has established a private clinic
- A total of approximately 20 hours of patient appointments per week
- The set-up costs of the clinic impact its profitability in the beginning
- The company's first financial year shows a loss or EUR 500,000



Person B

- A physician who owns a private clinic
- Participates in an annual general meeting once a year
- The company's financial year shows a positive result or EUR 2,000,000
- The entrepreneur is paid EUR 500,000 as dividends

Example of determining the right level of earned income



Person A

According to the Finnish Centre for Pensions (ETK), the earned income of a general practitioner is determined as follows:

Patient appointment hours per week x EUR 3,150
= 20 h x EUR 3,150
= **earned income EUR 63,000/year**

➡ **Person obligated to take out YEL insurance**



Person B

Working hours as a self-employed person: 0 hours
= 0 x the value of any work
= **earned income EUR 0/year**

➡ **Not obligated to take a YEL insurance**

Average YEL earned income 2013–2018

YEL-insured persons by earned income				
		Both genders	Men	Women
Confirmed YEL earned income with 2018 wage coefficient	2013	23,869	24,995	21,615
	2014	23,827	24,960	21,558
	2015	23,607	24,670	21,486
	2016	23,286	24,307	21,261
	2017	22,632	23,642	20,644
	2018	22074	23073	20127

Effects of earned YEL income

Difference between social security of a self-employed person and employee



Effects of earned YEL income

Pension security

Old-age pension

Disability pensions, vocational rehabilitation

Partial early old-age pension and career pension

Survivors' pension

Social security

Sickness allowance

Maternity, paternity and parental allowance

Special maternity allowance

Unemployment security

Earnings-related unemployment allowance

Basic unemployment allowance

Accident

A self-employed person's pension provides pension security for entrepreneurs

- Old-age pension
- Disability pension
- Employment pension rehabilitation
- Partial early old-age pension (age limit 61 years)
- Career pension (age limit 63 years)
- Survivors' pension



Accumulation of pension during the entrepreneurial activity as of 1 Jan 2017

Obligation to take insurance
18 years of age

1.5%/year



**53–63 years of
age***

1.7%/year



**63–68/69/70
years of age**

1.5%/year

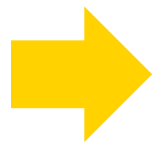
Entrepreneurial activity insured
alongside pension accumulates pension 1.5% per year

* The transitional rule will be in effect until 31 Dec 2025

A postponement increase of 0.4% per month for the period the person remains at work even after having reached the lowest age limit for old-age pension

The effect of YEL earned income on Kela benefits

- Kela calculates the daily allowances according to the entrepreneur's annual income. The calculation of the annual income of the entrepreneur is based on the YEL earned income. The annual income is calculated from the 12 calendar months preceding the calendar month prior to the start of entitlement to the benefit.
- If the amount of YEL earned income has changed during the 12 months under review, the average earned income is taken into account. If the self-employed person is in paid employment in addition to their entrepreneurial activity, both the earned income and the YEL earned income are taken into account in the annual income.



YEL earned income cannot be changed retroactively, so it is of utmost importance to keep the YEL income at the correct level for the duration of the entrepreneurial activities.

The 6-month rule that was in force until 31 December 2019 was abolished without a transitional period

Sickness allowance for a self-employed person

- Kela pays a sickness allowance for 6 days in a week
- Eligibility for sickness allowance begins when disability has lasted for the duration of the day the person fell ill
- The YEL insurance must have been valid on the day when the disability began
- Must be applied for in two months after the disability began



Self-employed person's unemployment security

- The lowest YEL earned income that makes a person eligible for unemployment security is EUR 13,247 per year in 2021
- If the earned income is less than EUR 13,573, the self-employed person cannot join an unemployment fund nor obtain a basic unemployment allowance from Kela.

The working hours condition must also be met in order for a person to be eligible for unemployment allowance

- ✓ Work as a self-employed person for a minimum of 15 months in the last four years.
- ✓ The earned income for the corresponding period must amount to at least EUR 13,573
- ✓ To be eligible for earnings-related allowance the person must have been a member of an unemployment fund for a corresponding 15 months

Self-employed person's unemployment benefits

Means-tested
benefit

Earnings-related

unemployment allowance

- Requires membership of an unemployment fund
- Earnings-related benefit
- The employment condition is fulfilled
- To be applied from the unemployment fund

Basic unemployment

allowance

- The employment condition is fulfilled
- Average benefit EUR 726/month EUR/month
- To be applied from Kela

Labour market subsidy

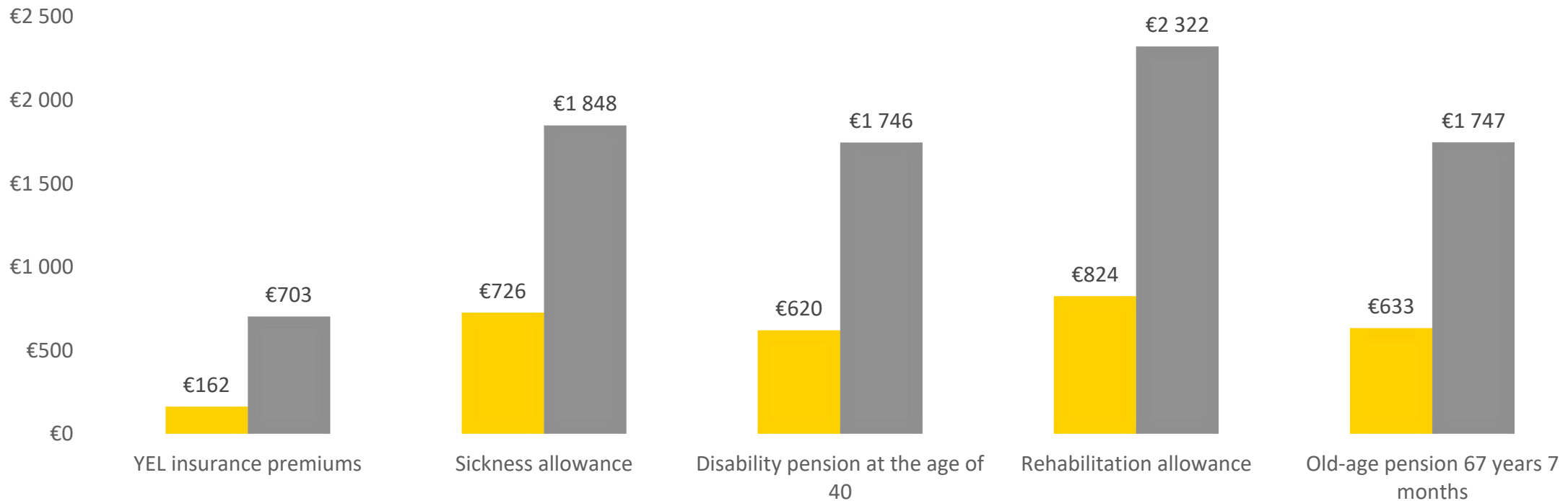
- Not subject to condition on working
- Average benefit EUR 726/month
- To be applied from Kela

Subject to condition on working: Working as an entrepreneur for at least 15 months during the 48 months preceding unemployment, during which time YEL insurance earned income has been at least **EUR 13,573** per year (2022).

Example of the impact of the YEL earned income level on different benefits

Entrepreneurial activities commence at the age of 30 (born in 1991), an employment pension of EUR 300 per month accrued

■ Earned income EUR 8,063.57
■ Earned income EUR 35,000



*Figures are reported and calculated at the level of 2021

Use the YEL calculator to determine earned income

www.elo.fi

YEL-LASKURI

På svenska

In English

Kokeile YEL-laskurilla, miten YEL-työtulo vaikuttaa eläkkeesi määrään ja vakuutusmaksuusi.

Syötä omat tietosi

Syntymäaika *

11.9.1999

☐

Minulla on ollut YEL-vakuutus alle neljä vuotta.

Jos aloitat yrittäjätoiminnan ensimmäistä kertaa, saat YEL-vakuutusmaksuun 22 %:n alennuksen ensimmäisen neljän vuoden ajan.

Kertynyt työeläke

0

€/kk

Tarkista kertynyt työeläke työeläkeotteestasi tai

Laskelma

ARVIO PÄIVÄRAHOISTASI



Sairauspäiväraha
€/ arkipäivä

47



Tapaturmapäiväraha
€/ päivä

56



Ansiopäiväraha
€/ työpäivä

53



Peruspäiväraha
€/ työpäivä

32



Tietoa Kelan päivärahoista

ARVIO YEL-VAKUUTUSMAKSUSTASI

€/ kuluva vuosi

4 821

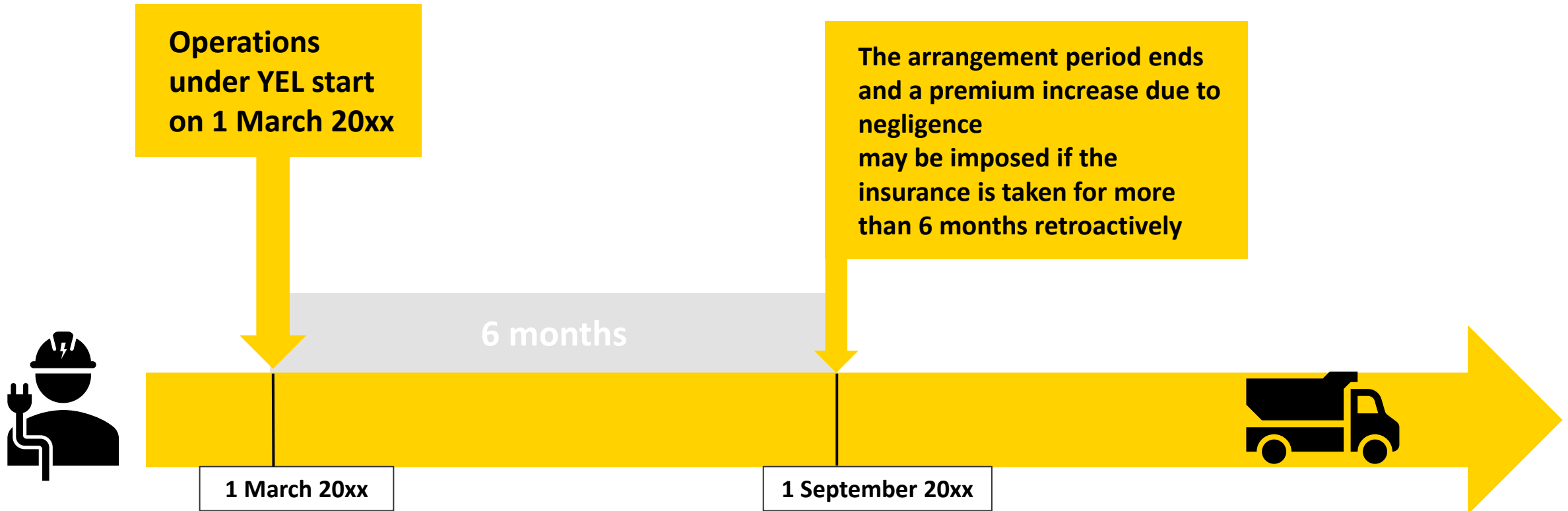
€/ maksuerä

402

Eräpäivät	Maksu, €
20.1.2017	402
20.2.2017	402
20.3.2017	402
20.4.2017	402
20.5.2017	402
20.6.2017	402
20.7.2017	402
20.8.2017	402

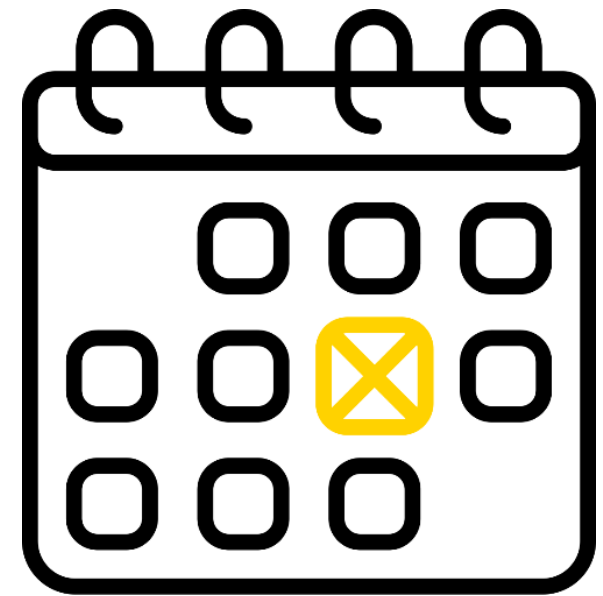
Insurance in practice

Beginning of a YEL insurance



Beginning of a YEL insurance

- The YEL insurance starts from the date the value of the self-employed person's work input exceeds the minimum limit for YEL earned income at an annual level. In practice, it means that the value of the entrepreneur's work input is approximately EUR 690/month or more
- The insurance can be taken retroactively for the current year and three preceding years
- YEL insurance must be taken out within 6 months of starting entrepreneurial activity
- If the insurance is taken out too late, the insurance premium may be increased following the instructions from the Finnish Centre for Pensions (ETK)



YEL insurance is supervised

- One of the tasks of the Finnish Centre for Pensions is to supervise employment pension insurance.
- Tax information is commonly used as a source of information, on the basis of which the Finnish Centre for Pensions approaches persons who can be considered to work as entrepreneurs and have such work volumes that insurance must be taken out in accordance with the legislation, but the persons do not have YEL insurance.
- If no insurance is taken out or the person does not submit a report on the matter, the Finnish Centre for Pensions may decide on taking out an enforced insurance and take out YEL insurance on behalf of the person retroactively.
- In this case, the entrepreneur will have to pay the insurance premiums retroactively for the period of time stipulated by law as well as a premium increase due to negligence. It is not possible for an entrepreneur to get a discount for a beginning entrepreneur on enforced insurance.

Hae asiakastiedot

Omat Asiakkaat

Materiaalit

Y-tunnus/Henkilötunnus

Y-tunnus/Henkilötunnus

Hae

YEL-vakuutushakemukset

TyEL-vakuutushakemukset

Verkkopalvelusopimus

Tee YEL-tarjous

Tee TyEL-tarjous

ENNAKOI TYÖKYVYTTÖMYYSRISKIT JA JOHDA TIEDOLLA – ELON VERKKOPALVELUSSA.

Elon Verkkopalvelu tarjoaa yrityksen HR:lle työkalut,
jotka auttavat ennakoimaan, ehkäisemään ja hallitsemaan yrityksen
työkyvyttömyysriskejä ja niistä aiheutuvia kuluja.



AIKASÄISET
TIEDOKSIKSI

Alia ajantasainen tieto
yhtiön työntekijöiden
työkyvyttömyysriskien
ja kuluista.



KUSTANNUUS-
RISKIT

Työkyvyttömyysriskien ja
maksukorvausten
arvioinnin ja seurauksien
sääntöjen mukainen
tietojen hallinta.



TYÖKYVYJOHTAMISEN
TILITILIT

Työkyvyttömyysriskien
arvioinnin avulla
tiedetään, miten
työkyvyttömyysriskien
hallinta vaikuttaa
yrityksen tilin.



ENNAKOITAVA
TILIT

Ilman ennakointia
sitten työkyvyttömyys
riskien hallinta
on mahdollista.



VAKUUTUS

Seuranta ja vertailu
maksukorvausten
arvioinnin avulla
tiedetään, miten
työkyvyttömyys
riskien hallinta
vaikuttaa.

Elon verkkopalvelun hyödyt

Tutustu tästä Elon verkkopalvelun hyötyihin.

> Avaa

Uutiset

16.12.2019 | Laskujemme ulkoasu
muuttuu

29.11.2019 | Elo ja Eezy yhteistyöhön

25.11.2019 | Uusia työkykyjohtamisen
mittareita lisätty Elon verkkopalveluun

25.11.2019 | Sähköinen YEL-
vakuutushakemus uudistui

22.11.2019 | Huoltokatko Elon
verkkopalveluissa 23.11. klo 7-16

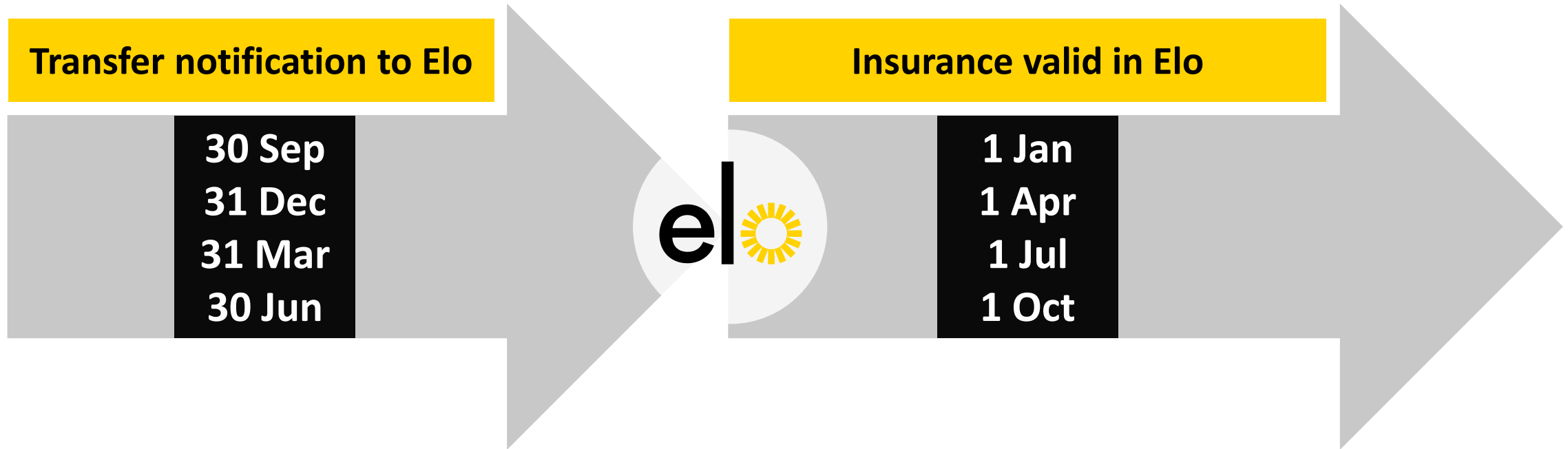
21.11.2019 | Elon Fiilismittari
poistetaan käytöstä

Information required for the YEL application

- Self-employed person's personal identification number, business ID and start date of business activity
- Contact details of the self-employed person and the company and any other invoicing address
- YEL earned income and its grounds
- Number of instalments requested
- Payer information (entrepreneur or company)




Transferring the pension insurance




- The insurance can be transferred from one company to another, when the insurance has been valid in one company for at least a year before the transfer.
- The insurance must be terminated in the other company three months before the desired transfer date.

The demo of ELO's online service can
be found on the electronic desktop

 Vakuutukset Laskut Kuntoutus ja eläkkeet Työkykyjohtaminen Rahoituspalvelut Viestit ja tapahtumat


Manu's Garden Oy


Vakuutukset



Yrittäjän eläkevakuutus (YEL), 382-

[NÄYTÄ TIEDOT](#)

 Todistukset

 Muuta työtuloa

[Ota uusi vakuutus](#) [Luo vakuutuskooste](#)

OTA KÄYTTÖÖSI VERKKOLASKU!

Tarkista Asiakastiedoista, onko yritykselle haettu verkkolaskuosoite.

[ASIAKASTIEDOT](#)

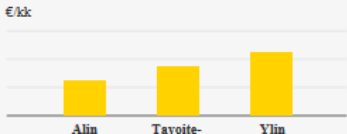
Viestit ja tapahtumat

Aihe ▾	Tila ▾	Päiväys ▾
Tarkista TyEL-laskelma	Saapunut	23.11.2017
TyEL-vakuutusnumerosi muuttuu marraskuun alussa	Saapunut	31.10.2017

[Kaikki viestit ja tapahtumat](#)

YEL-laskuri

Kokeile YEL-laskurilla, miten YEL-työtulo vaikuttaa eläkkeesi määrään ja vakuutusmaksuusi.



Kategoria	€/kk
Alin	~100
Tavoite	~150
Ylin	~200

Vakuutukset

Voimassaolevat vakuutukset

Vakuutus	Vakuutettu
TyEL-vakuutus	MUUT KUIN MÄÄRÄAIKAISET
TyEL-vakuutus	MÄÄRÄAIKAISET
YEL-vakuutus	

Vakuutustiedot

Maksutilanne

Joustohakemus

Todistukset

Päätökset ja asiakirjat

Vakuutustiedot

[Vakuutusehdot](#)

PÄÄTÄ VAKUUTUS

MUUTA VAKUUTUSTIETOJA

SOPIMUSTIEDOT

Sopimuksen voimassaoloaika

1.3.1987 alkaen

Vakuutuksen maksaja

Vakuutettu

Vakuutuksen hoitaja

?

Voimassaoleva työtulo

?

78 462,95 euroa

> Työtulohistoria

> Vakuutusmaksun joustot (ilman vahvistetun työtulon muuttamista)

MAKSUTIEDOT 2021

Vakuutuskausi

1.1.2021 – 31.12.2021

Vakuutuskauden maksu

19 909,08 euroa

Maksuprosentti

25,6 %

Vakuutusmaksuerien määrä

1 kertaa vuodessa

MAKSUTIEDOT 2020

You can edit the insurance details in the Insurance details tab by selecting “Change insurance details” or “End insurance”

The information you can edit are:

- Earned income
- Number of instalments
- First instalment month
- Terminating the insurance
- Insurance paid by

Vakuutustiedot	Maksutilanne	Joustohakemus	Todistukset	Päätökset ja asiakirjat
----------------	--------------	---------------	-------------	-------------------------

PERU LÄHETÄ

Vakuutustietojen muuttaminen

TYÖTULO

YEL-työtulon on vastattava sellaista palkkaa, joka olisi kohtuudella maksettava, jos tilillesi palkattaisiin yhtä ammattitaitoinen työntekijä tai sitä korvausta, jonka muuten voidaan katsoa vastaavan tekemääsi työtä. YEL-työtulo ei tarkoita yrityksestä nostettavan palkan määrään, vaan sillä arvioidaan yrittäjän työpanoksen arvoa kokonaisuutena. Apua YEL-työtulon määrittämiseen omalla toimialallasi saat esimerkiksi [Eläketurvakeskuksen Työtulo-oppaasta](#). [↗](#)

Uusi työtulo vuodessa
 euroa

Uuden työtulon voimaantulo

 (pp.kk.vvvv) alkaen

Myyjätunnus

Myyjän nimi
 syötä oma nimesi

MAKSUTIEDOT

Vakuutusmaksuerien määrä
 ▼

Ensimmäinen eräkuukausi
 ▼

Maksutietojen muutosten voimaantulo

 (pp.kk.vvvv) alkaen

MAKSAJA ?

Nimi


Y-tunnus / Henkilötunnus

Puhelinnumero

Changing earned income

- Earned income can be changed from the date of notification onwards, not retroactively
- A self-employed person must ensure that the earned income remains at the correct level
- Each year, the Ministry of Social Affairs and Health confirms a salary coefficient by which earned income is automatically adjusted at the turn of the year. However, the effect of the salary coefficient is moderate, and its purpose is to make earned income follow general trends.

TYÖTULO

YEL-työtulon on vastattava sellaista palkkaa, joka olisi kohtuudella maksettava, jos tilillesi palkattaisiin yhtä ammattitaitoinen työntekijä tai sitä korvausta, jonka muuten voidaan katsoa vastaavan tekemääsi työtä. YEL-työtulo ei tarkoita yrityksestä nostettavan palkan määrää, vaan sillä arvioidaan yrittäjän työpanoksen arvoa kokonaisuutena. Apua YEL-työtulon määrittämiseen omalla toimialallasi saat esimerkiksi [Eläketurvakeskuksen Työtulo-oppaasta](#). 

Nykyinen työtulo
17 619,82 euroa

Uusi työtulo vuodessa

 euroa

Uuden työtulon voimaantulo

(pp.kk.vvvv) alkaen

Perustelu työtulomuutokselle

Valitse 

Adjusting earned income

- A self-employed person can adjust their earned income 10–20% downwards or 10–100% upwards
- The adjusted earned income may not fall below the minimum limit or exceed the maximum limit
- The adjustment affects the overall earned income based on which the pension is determined, but does not affect social security.

Vakuutustiedot
Maksutilanne
Joustohakemus
Todistukset
Päätökset ja asiakirjat

Näet vuosimaksun perusteella lasketut maksujoustop rajat. Valitse toivomasi maksunpienennyksen tai lisämaksun määrä ja klikkaa Lähetä Joustohakemus

Nykyinen vakuutusmaksu	Voit pienentää vakuutusmaksua	Voit maksaa lisää vakuutusmaksua
16 863,32 euroa vuodessa	1 689,97 - 3 379,93 euroa vuodessa	1 673,69 - 16 736,83 euroa vuodessa

Ilmoita uusi maksu

☒ Maksun pienennys
☐ Lisämaksu
☐ Haluan hakemuksesta kuittauksen sähköpostilla

Terminating the insurance

- The insurance will terminate on the date the obligation to take a YEL insurance ends

The obligation can terminate for several reasons

- The business operations simply cease entirely
- The business operations do not cease, but as the amount of work falls, earned income falls below the statutory minimum
- The person's ownership in a limited liability company falls below the statutory requirements
- If the insurance is terminated retroactively, unduly paid premiums will be refunded to the customer
- The insurance will not terminate automatically when the company form changes, but you should check whether you still belong to the scope of YEL

Certificates

Vakuutustiedot	Maksutilanne	Joustohakemus	Todistukset	Päätökset ja asiakirjat
----------------	--------------	---------------	--------------------	-------------------------

Vakuutustodistukset

Voit ladata todistuksen pdf-muodossa tai lähettää sen haluamaasi sähköpostiosoitteeseen (✉ -kuvake).

[Voimassaolotodistus \(pdf\)](#) ✉

[Voimassaolo- ja maksutodistus \(pdf\)](#) ✉

[Työtulotodistus \(pdf\)](#) ✉

[Työtulo- ja maksutodistus esim. työttömyyskassalle \(pdf\)](#) ✉

[Todistus maksetuista maksuista, vuosi 2021 \(pdf\)](#) ✉

[Todistus maksetuista maksuista, vuosi 2020 \(pdf\)](#) ✉

Tulosteet


[Tuloste maksutilanteesta](#)

Decisions and documents

Vakuutustiedot	Maksutilanne	Joustohakemus	Todistukset	Päätökset ja asiakirjat
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Päätökset ja asiakirjat

Tältä sivulta voit tarkistaa vakuutustasi koskevat päätökset ja muut vakuutusasiakirjat. Kuittaa saapunut päätös vastaanotetuksi seitsemän päivän kuluessa saapumispäivästä. Päätökset ja asiakirjat säilytetään verkkopalvelussa viiden vuoden ajan.

Päiväys	Päätös	Muu asiakirja	Tila
6.9.2017	YEL-työtulopäätös 		Saapunut



Thank you!



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