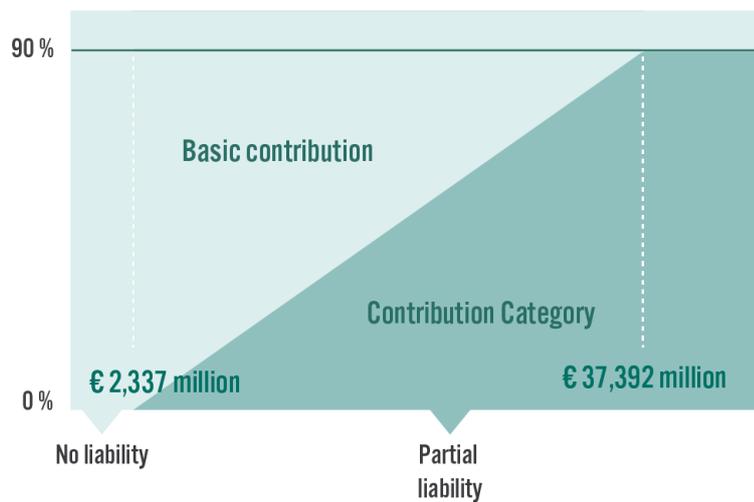


TyEL contributions of large employers

Who is considered a large employer?

Large employers are companies whose payroll exceeded EUR 2,337,000 in 2023. The disability pension component of the TyEL contribution is comprised of the basic contribution, which is affected by the age distribution of the employees and a liability component in accordance with the contribution category as follows:

- If a company’s payroll was less than EUR 2,337,000 in 2023, the disability pension contribution is determined solely on the basis of the basic contribution without any impact of a contribution category.
- If a company’s payroll was EUR 2,337,000–37,392,000 in 2023, the employer is subject to partial liability up to a maximum of 90%. Up to 90% of the disability pension contribution is determined by the company’s contribution category and the rest by the basic contribution.
- If a company’s payroll exceeded EUR 37,392,000 in 2023, the employer is subject to partial liability of 90%. This means that 90% of the disability pension contribution is determined by the company’s contribution category and 10% by the basic contribution.



How is a company’s contribution category determined?

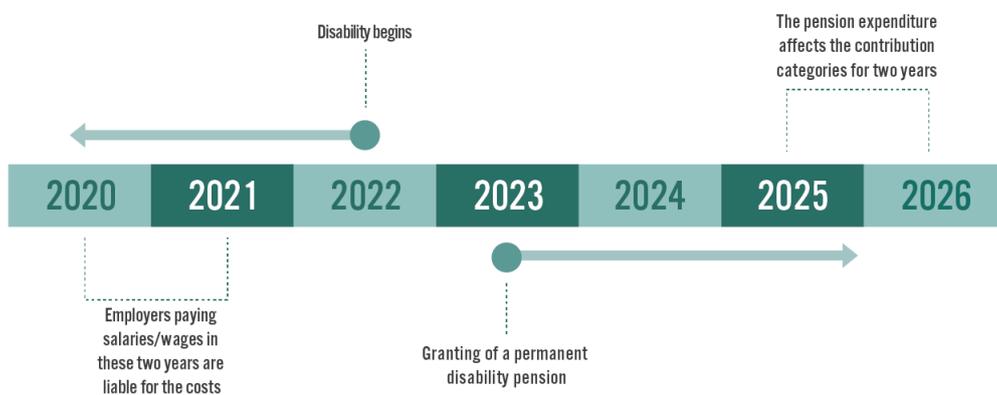
Large employers can affect the amount of their TyEL insurance contributions by promoting the work ability and well-being at work of their employees. The contribution category is determined on the basis of a company’s disability pension cases. Each granted disability pension may affect the contribution category of large employers and, consequently, the amount of their disability pension component.

The disability pension expenditure refers to the costs accrued by an employer for all cases of disability pension granted until further notice. The disability pension expenditure and consequent contribution category will also be affected by cash rehabilitation benefits that have continued longer than two years (fixed-term disability pensions).

The pension expenditure is affected by the employee’s age, employment history and salary. The pension expenditure will not be debited from the employer as such, but is taken into consideration when determining the contribution category of the employer. If a company has a higher than average disability pension expenditure, its contribution category will also be higher.

Correspondingly, the lower the disability pension expenditure, the lower the contribution category and liability component.

The disability pension expenditure is divided among those employers who have paid wages or salaries to the employee in question during the two calendar years preceding the disability. The year in which the disability pension was granted will determine the time period when the pension expenditure will impact the contribution category. The pension expenditure affects the contribution category for two years.



If the employee’s employment relationship started with a work trial or apprenticeship training as part of rehabilitation under the earnings-related pension system (vocational rehabilitation), any possible disability will not affect the employer’s contribution category. The protection period is valid for five years and is applicable to employment relationships starting on 1 January 2024 or later. If an employee becomes disabled during the protection period, the employer must remember to notify the pension provider of this as soon as possible. It is the employer’s obligation to report that the employee’s employment relationship started with a work trial or apprenticeship training as part of vocational rehabilitation for a maximum of five years prior to the pension contingency. The notification must be made no later than by 15 November of the year following the year in which the employee retired on disability pension in order to avoid the impact of the contribution category.

Persons hired as new employees over the age of 55 will not have an impact on the contribution category of companies even if they later retire on disability. The change applies to new employment relationships starting on or after 1 January 2024.

Please note: An employee is not considered a new employee if they have worked for the same group of companies during the three previous years. The employer should ensure that the information concerning new employees can be found from the company’s HR system. If an employee develops an inability to work, the employer must remember to notify the pension provider of this as soon as possible. The notification must be made no later than by 15 November of the year following the year in which the employee retired on disability pension in order to avoid the impact of the contribution category.

Please contact us if you have any questions about disability pension contributions or contribution categories. More information about TyEL contributions of large employers can be found on our website [veritas.fi/large-employers](https://www.veritas.fi/large-employers). You can contact us by phone at 010 195 626 or by sending us a message via our online service.