

TyEL insurance – ensuring pension security for your employees

Earnings-related pension insurance (TyEL) is a statutory insurance that covers all forms of gainful employment. All work must be insured, including the work done by employees hired by households. With regard to TyEL insurance, the same rules and contributions are applicable to households as to other employers. If you pay salaries/wages only occasionally, you are considered to be an occasional employer.

Earnings-related pension will provide security in case one's income is diminished or cut off due to old age, disability or the death of a family provider. Work that is done in the service of a private employer is insured under TyEL pension insurance in accordance with the Employees Pensions Act (Työntekijän eläkelaki 395/2006, TyEL). This insurance is acquired by the employer.

For whom is earnings-related pension insurance mandatory?

- Employees aged 17 and older
- Those with minimal monthly earnings of €65.26/month (2023)
- Employees up until the age of 68, 69 or 70, depending on their birth year

Insurance contribution

- 25.30% of the salaries/wages paid to the employees (2023)
- The employee's share of the contribution
 - 7.15% of the salary/wages for those aged 17–52
 - 8.65% of the salary/wages for those aged 53–62
 - 7.15% of the salary/wages for those aged 63–67
- Employers withhold the employee's share of the contribution in connection with the payment of the salary or wages.
- The TyEL insurance contribution rate is confirmed annually by the Ministry of Social Affairs and Health.

What are the benefits of TyEL pension insurance?

The benefits inherent to the earnings-related pension scheme include:

- Vocational rehabilitation
- Disability pension
- Partial early old-age pension
- Old-age pension
- Survivors' pension
- Career pension

Earnings-related pension insurance is a big part of Finland's social security scheme, which is intended to secure a reasonable livelihood regardless of life circumstances.

Attention, employers!

When you hire employees, it is your responsibility to take insurance on their behalf and to ensure the payment of the related tax withholdings and insurance contributions.

- TyEL insurance for employees -> Paid to the pension provider
- Accident insurance -> Paid to an accident insurance company
- Group life insurance -> Invoiced in connection with accident insurance
- Unemployment insurance contribution -> Paid to the Employment Fund
- Health insurance contribution -> Paid to the Finnish Tax Administration in the form of the employer's social security contribution

When should one acquire earnings-related pension insurance?

Employers must ensure that pension security is arranged by the time the first payroll information is reported to the Incomes Register. The employer can be liable to pay an increase for neglect if it has not arranged pension provision by the eighth day of the calendar month following the payment of wages.

From where and how should pension insurance be acquired?

The employer can freely choose the pension company that will provide pension security for its employees. It's easy to take pension insurance through our website at <https://veritas.fi/en/take-out-insurance/> or ask for additional information by calling +358 (0)10 195 600.