



# TyEL Annual Notification Guide

Salaries paid in **2017 or earlier**



For the calculation of pensions and insurance premiums, Veritas Pension Insurance requires employees' employment and salary information annually from the employer. On the basis of the information provided by the employer, we will calculate the final TyEL payment for the previous year.

Instructions for making an annual notification can be found in this guidebook. Further information is provided by our Corporate Services tel. +358 10 5501 819 or [tyel@veritas.fi](mailto:tyel@veritas.fi).

## Contents

1.	How the annual notification is made? .....	3
2.	What information is provided in the annual notification? .....	3
2.1	Employee's personal data .....	3
2.2	Employee's salary .....	3
2.3	Insurance has transferred from other company .....	3
2.4	Notification method has changed .....	3
2.5	Part of the salary reported as a temporary employer .....	3
2.6	Commenced and terminated employments .....	4
2.7	Employer's information .....	4
2.8	Termination of the insurance .....	4
2.9	Delayed or neglected notifications .....	4
3.	Who is insured according to TyEL? .....	4
4.	Salary notification upon the commencement or termination of the insurance obligation	5
4.1	Employee turns 17 .....	5
4.2	Employee turns 68 .....	5
5.	Notification of unpaid leaves of absence .....	5
6.	Notification of the salary of a retired person .....	6
7.	Transfers between departments or pension groups .....	6
8.	Appendices to the annual notification .....	6
8.1	Service fee notification .....	6
9.	Remunerations for a position of trust .....	6
9.1	Holder of a position of trust is not employed by the payer .....	6
10.	Household as an employer .....	6
10.1	Private childcare allowance .....	7
11.	What salary is included in the annual notification? .....	7
12.	Examples: What belongs to the TyEL salary? .....	8

## 1. How the annual notification is made?

### The annual notification can be made

- through our VerNet web service at [www.veritas.fi](http://www.veritas.fi). Please note that the service is available only in Finnish and Swedish.
- through e-filing as a TYVI notification, the operator being either ItellaTYVI ([www.tyvi.fi](http://www.tyvi.fi)) or Personec link ([www.aditro.fi](http://www.aditro.fi))
- through [palkka.fi](http://palkka.fi) service
- by a pre-filled annual notification form if you are not yet using the electronic notification option.

The TyEL annual notification shall be made **by 31 January 2018 at the latest**. We perform the annual calculation on the basis of the information provided between February and April. After that we will deliver the annual calculation and employee-specific statement.

Because the annual calculation contains confidential information about personal data and salaries, we will send it in an envelope marked with "Luottamuksellinen" (Finnish for "Confidential"). To make sure that only entitled individuals will have access to the confidential information, we recommend that you from time to time go through the routines for handling confidential mail in your company.

If you use the form or our VerNet web service to fill in the annual notification, we recommend that you first check the employment and salary information already submitted to our register. Please supplement the information if necessary. If you have agreed on a department or pension group division, the employee information will already have been grouped.

It is important that we obtain your annual notification on time. We need the information in order to calculate the final insurance premium and for the employment pension records of your employees.

## 2. Which information is provided in the annual notification?

### 2.1 Employee's personal data

Please fill in the employee's name in the following order: last name and given names. Social security number must always be given. If you have no social security number, please give the employee's date of birth and gender (M = male, F = female).

### 2.2 Employee's salary

Salaries paid to the employee during 2017 are reported in the annual notification. The salary is given as a total amount. Withholding tax or the proportion of the employee's own employment pension contribution is not deducted from the salary amount.

**The salary forming the basis of the pension is usually the same as the person's salary subject to withholding tax.** At the end of the brochure, there is a detailed list of remunerations and increments to be given in the annual notification, see p. 8.

The salary paid to fixed-term employees shall also be reported in the annual notification. Reports may of course already be made during the year, but the salary information of temporary employees must be recorded in the annual notification at the latest.

If there are mistakes in the salary information reported earlier, they can be corrected in the annual notification provided here. However, if salary information from years prior to 2017 has not been submitted, the notification must be made as if it were a new employment. In other words, please fill in the commencement date and any termination date of the employment and the salary per year.

### 2.3 Insurance has transferred from other company

If your TyEL insurance was transferred to Veritas Pension Insurance during 2017, the salary for the entire year will not have been reported in the annual notification, but only the part which had been paid to the employee when the insurance took effect in your company.

If the employee was in your service when the insurance was transferred, the original commencement date of the insurance and the transfer date of the insurance to Veritas are stated in the form and on our VerNet web service under his or her name. Please make sure that the information is correct. If there are persons who were employed by you at the time the insurance was transferred and who are missing from the register information, we ask you to add their information in the annual notification. Please give as the commencement date of the employment (1 January, 1 April, 1 July or 1 October) the transfer date of the insurance to Veritas and as the salary, the salary paid from the time of the transfer of the insurance until the end of the year. You may also want to check from your previous pension insurance company that they have registered the employee's insurance until it was transferred.

If the employee's employment commenced after the transfer of the insurance, please give both the commencement date of the employment and the salary in 2017.

## 2.4 Notification method has changed

If the notification method of salary information changed from a monthly notification to an annual notification when the insurance was transferred from another insurance company to Veritas, please add the information of the employees missing from the register in your annual notification. When the insurance is transferred, the date on which the insurance was transferred to Veritas (possible transfer dates are 1 January, 1 April, 1 July and 1 October) is given as the commencement date of the continued employment. The proportion of the salary that was paid after the TyEL insurance took effect in Veritas will be given as the employee's salary.

## 2.5 Part of the salary reported as a temporary employer

If you have already reported employees' salaries as a so-called temporary employer during 2017, the salaries already reported will not be reported again in the annual notification. This kind of situation could have arisen if you concluded an insurance agreement with Veritas in the middle of the year and prior to that, you reported salaries as a temporary employer.

A temporary employer hires employees only once in a while and the salary paid to the employees over six months is in total less than EUR 8,334 (limit amount in 2017).

**An employer may not be simultaneously both a contract employer (who has taken out the TyEL insurance) and a temporary employer.**

## 2.6 Commenced and terminated employments

We request that you notify us in your annual notification of both the commenced and the terminated employments in 2017.

The commencement date of the employment is the date on which the employee becomes subject to TyEL or the date as of which the employee was included under this insurance.

The termination date of the employment is the final date on which the employment is valid or the final date on which the employee is subject to TyEL (for example, when the employee turns 68). In respect of terminated employments, please also report the salary from the year of termination.

For information on filling in an annual notification when an employee turns 17 or 68, i.e. upon the commencement or termination of the insurance obligation, see also page 5.

## 2.7 Employer's information

We request that you inform us as soon as possible of any changes in the company's name and address information, company form or ownership information.

If the employer's business identity code (Y-tunnus) is missing from our information, please add it in your annual notification.



## 2.8 Termination of the insurance

The termination of the insurance is always made in writing. The notification of termination may be made in our VerNet web service, using our form or by an informal letter. Please inform us at the same time of the reason for the termination of the insurance, the termination dates of employments and salaries paid during the year of termination. It is not necessary to terminate the insurance if new employees subject to TyEL will be hired in the near future.

## 2.9 Delayed or neglected notifications

If the annual notification is submitted late or not at all, the result is an increase in the payment (TyEL, section 163).

**The annual notification must be made by the end of January.**

### 3. Who is insured according to TyEL?

You may insure all your private sector employees in Veritas regardless of the duration of the employment and the line of business. However, working as referred to in the Finnish Seamen's Act must be insured pursuant to the Finnish Seafarers' Pension Act (MEL).

Employees working under an employment contract are insured pursuant to TyEL. In TyEL, the employment is determined in the same way as in the Finnish Employment Contracts Act, according to which employees agree to perform work for the benefit of the employer under the employer's management and supervision in return for pay or some other remuneration. If the preconditions for insuring are fulfilled, the salary shall be insured regardless of whether tax is withheld from it.

An employer shall insure employees who are 17 to 67 years old and whose salary is at least EUR 58.19 per calendar month (limit amount in 2017). Retired employees are also insured if they fulfil the above-mentioned age and salary requirements. Employees' employment pension contributions shall then be withheld from the employees' salaries. **Insurance premium percentages and other social insurance fees can be found on our website at [www.veritas.fi](http://www.veritas.fi).**

The nationality of an employee does not affect the TyEL insurance or the accrual of pension. If a Finnish employer hires foreign employees in Finland, they will be insured in the same way as Finnish employees.

If a foreign employer hires employees in Finland, the employees shall be insured in Finland according to TyEL.

Employees who are under an apprenticeship contract will also be reported into TyEL. Persons participating in workplace training other than apprenticeship training will be insured if they are employed by the employer. Employees in employment life training will not be insured.

### 4. Salary notification upon the commencement or termination of the insurance obligation

The insurance obligation commences from the beginning of the month following the date on which the employee turned 17 and continues until the end of the month in which the employee turns 68.

#### 4.1 Employee turns 17

The insurance obligation commences from the beginning of the calendar month following the date on which the employee turned 17.

If the employee is in an employment relationship in the beginning of the month following his or her 17th birthday, the commencement date of the employment to be reported will be the first day of the month following the date on which the

employee turned 17. The salary to be reported will be the salary paid from the same date onwards, regardless of when it was earned (salary period). For example, if an employee turned 17 on 15 June 2017 and he or she received a salary payment on both 30 June 2017 and 31 July 2017, only the salary paid on 31 July 2017 will be reported.



The employee's own employment pension contribution will be withheld from the salary as of the aforementioned period onwards.

#### 4.2 Employee turns 68

The insurance obligation ends on the last day of the calendar month during which an employee turns 68.

If the employee's employment ends during the month in which he or she turns 68, the date of termination of the employment to be reported is the last day of the month in which he or she turned 68. The salary to be reported will be the salary paid by the date in question. However, if the employee has received a so-called payoff upon the termination of the employment after he or she had already turned 68, it will also be reported in the annual notification.

If the employment continues after the month in which the employee turns 68, the date of termination of the employment to be reported is the last day of the month in which he or she turned 68, in other words, the date on which the insurance obligation ends. The salary paid by this same date will also be reported in the annual notification. Salary paid after the termination of the insurance obligation will not be reported.

If the work starts during the month following the 68th birthday or thereafter, it is not necessary to notify us of the paid salary or the commencement or termination dates of the employment. Also, no employer's pension contribution is withheld.

Further information on the accounting for the salary upon the commencement or termination of the insurance obligation is provided by our Corporate Services, tel. +358 10 5501 819.

### 5. Notification of unpaid leaves of absence

If an employee is on unpaid leave of absence, for example laid off, on study leave or maternity leave, this will be reported in

the annual notification in different ways depending on whether the leave of absence takes place in its entirety in 2017 or not.

If it is a question of a short unpaid leave of absence that started and ended during 2017, the notification of the total salary in 2017 is sufficient.

If the unpaid leave of absence commenced in 2017 but has not ended yet, we request you to inform us the employee's final work day in 2017 as the termination date of the employment. Please also inform us of the salary paid in 2017. If the employee returns to work after the unpaid leave of absence, please inform us of the first work day after the leave of absence. It is not necessary to report the duration of the unpaid leave of absence separately.

Please note that if you pay salary to the employee during the unpaid leave of absence (e.g. holiday pay), the said salary must be insured. The salary will be reported in the annual notification of the year in which the salary was paid. If no other salary was paid during the year, the salary paid during the unpaid leave of absence will be reported as if the employee had been at work during the payment month. The first day of the salary payment month will be given as the commencement date of the employment and the last date of the month as the termination date.

## 6. Notification of the salary of a retired person

We ask you to check the amount of salary paid to retired employees in 2017.

If the employment ended in retirement in 2017 (old-age pension or work disability pension), the so-called pension transaction date is marked as the termination date of the employment and the salary reported in connection with the retirement as the salary.

If, in addition to the salary amount reported, you have also paid other remuneration (e.g. bonus) during 2017, we ask you to amend the payment amount in the annual notification. If you state the salary

- in a pre-filled form, please mark in the section reserved for further information what kind of remuneration this was
- in our online service, please amend the payment amount and let us know in a separate message what kind of remuneration this was (and whom it concerns).

If the employee started a new position after retiring, please report the commencement and any termination date of the new employment and the salary paid.

For further information on how to fill in the annual information when an employee turns 68, see page 5.

## 7. Transfers between departments or pension groups

The employer and Veritas Pension Insurance may agree that positions subject to TyEL are divided by departments within the insurance. With the help of the division, the employer may, for example, follow the development of TyEL costs of various personnel groups in the annual calculation. Positions may be also divided by pension groups in the insurance if improved pension benefits have been added to the insurance.

If an employee has transferred from one department or pension group to another during 2017, please report in the annual notification of his or her salary separately for the period covered by each department or pension group.

## 8. Appendices to the annual notification

### 8.1 Service fee notification

Service fees are earnings giving a pension entitlement and they may have a significant effect on the employee's pension coverage. If you do not know the amount of your employees' service fees, employees may also themselves report the amount of their service fees in a form provided for that purpose. Please contact us so we can provide you with this form.

Employees shall state in the form the salary plus fringe benefits received in 2017 and service fees at the same level as they report these to the tax authority.

The form shall be submitted to Veritas Pension Insurance by the end of January either through the employer or directly to the address Veritas Pension Insurance, PL 133, FI-20101 TURKU, Finland

## 9. Remunerations for a position of trust

Remunerations for a position of trust are only reported if the holder of a position of trust is in the employment of the payer of the remunerations. In such cases, the remunerations received from a position of trust are added to the other salary (and thus not insured separately). A full-time chairman of the board may also be considered employed, especially if he or she has transferred to the position directly from the position of the Managing Director.

### 9.1 Person is not employed by the payer

Persons holding a position of trust who are not employed by the payer of the remuneration are reported in the annual notification only if a separate TyEL insurance has been taken out for them. In other cases, remunerations for a position of trust are not reported.

If you wish, you may also arrange a pension security pursuant to TyEL to persons of 17 to 67 years appointed to a position of trust who are not employed by you. In such cases, you must take out a separate TyEL insurance for them. The precondition is that the remuneration for a position of trust of the person belonging within the insurance is at least EUR 58.19 per month.

TyEL insurance premium is also paid as usual for fiduciary representatives covered by the insurance. The pension insurance premium of an employee is also withheld from the remuneration paid to a holder of a position of trust according to the same rules as those which apply to employed persons. The insurance premium is determined for each period according to the confirmed TyEL insurance premium percentage.

Insurance may be taken out by filling in an electronic insurance application at [www.veritas.fi/ota-tyel](http://www.veritas.fi/ota-tyel) or by a paper form. When taking out insurance, you must clearly state the period from which the remuneration paid to a holder of a position of trust is to be calculated as earnings entitled to pension, i.e. the date from which they are insured. Remunerations



may be insured retrospectively, but at the most the remuneration paid during the calendar year preceding the year in which the insurance was taken out.

## 10. Household as an employer

Insurance obligation provisions pursuant to TyEL also apply to households who hire nannies, cleaning help or other employees. If a household acting as an employer has taken out TyEL insurance and selected an annual notification, the annual notification shall be made in the same way as that of other employers.

### 10.1 Private childcare allowance

In respect of a hired nanny, both the salary which is paid to the nanny by the family and the allowance paid directly to the nanny by Kela (The Social Insurance Institution of Finland) are reported as salary in the annual notification. Thus, the joint amount of these is given in the annual notification.

If the salary payable to the nursemaid is agreed to partly consist of the private care allowance and partly of the municipal care increment, the municipal care increment is considered earnings under the pension and is reported as part of the nanny's salary, even if the municipality were to pay the allowance directly to the nanny.

The family who hired the nanny is responsible for the payment of the employment pension insurance premium in respect of the salary paid by the family and the allowance given by Kela. The family will also withhold the employer's pension contribution from the total amount received by the nanny, which also contains the proportion determined on the basis of any allowance. Kela and the municipalities do not withhold the employer's pension contribution from the allowance paid.

If the nanny's salary contains solely of the allowance paid by Kela (and any municipal care increment), the family cannot withhold the employer's pension contribution, but must pay the employer's and the employee's pension insurance contribution.

## 11. Which salary is included in the annual notification?

According to the principal rule, earnings considered as the basis for pension and insured according to TyEL shall be the salary or other consideration paid or agreed to be paid as compensation for the work performed in the employment relationship. The name of the payment alone is not decisive, but whether the payment is part of the earnings which form the basis for pension shall be settled on the basis of the actual nature of the payment. See the next page for examples.

## 12. Examples: What belongs to the TyEL salary?

Does an employer's pension contribution have to do be withheld and the earning reported in the annual notification?	
Gift articles, tax free.	No
Personnel benefit when it is not remuneration obtained from work .	No
Payments made to the personnel fund.	No
Payment of the notice period for the statutory period.	Yes
Salary paid to the limited partner of a limited partnership.	Yes
Gift money and cards.	Yes
Compensation for illegal notice of termination.	No
Additional daily allowance, paid by sick fund.	No
Increments and increases (e.g. overtime payment, Sunday work payment, free shift compensation, stand-by compensation).	Yes
Holiday pay, holiday bonus pay, annual vacation compensation and salary.	Yes
Compensation paid for termination during a lay-off.	No
Earning completely based on fringe benefit (employee's payment may be collected within a year in connection with the subsequent salary payments).	Yes
Fringe benefits (accommodation benefit, meal benefit, car benefit, phone benefit etc.).	Yes
Compensation payable to fiduciary representative or occupational safety and health representative.	Yes
Meeting fee of a position of trust if not employed by the payer of the remuneration.	No
Meeting fee of a position of trust if employed by the payer of the remuneration.	Yes
Salary for waiting period.	No
Salary paid for apprenticeship or training contract period.	Yes
Distribution of dividend and profit share.	No
Service and gift money, obtained from the public.	Yes
Basic salary (time and performance salary and overtime compensation).	Yes
Commission if employed.	Yes
Daily allowances and compensation, tax free.	No
Daily allowances, subject to tax.	Yes
Royalty (compensation for an author).	No
Pay during sick leave.	Yes
Salary paid by a surrogate payer (bankruptcy estate, pay security authority or other payer).	Yes
Share of profits or bonus if employed.	Yes
Insurance pay for work abroad.	Yes