

Self-employed person's YEL insurance in 2024

YEL insurance is the basis for your pension and social security. That is why the insurance is statutory, in other words mandatory. Each YEL insurance contribution you pay increases your pension. At the same time, you improve your other social security benefits. You cannot replace YEL insurance with voluntary pension insurance.

For whom?

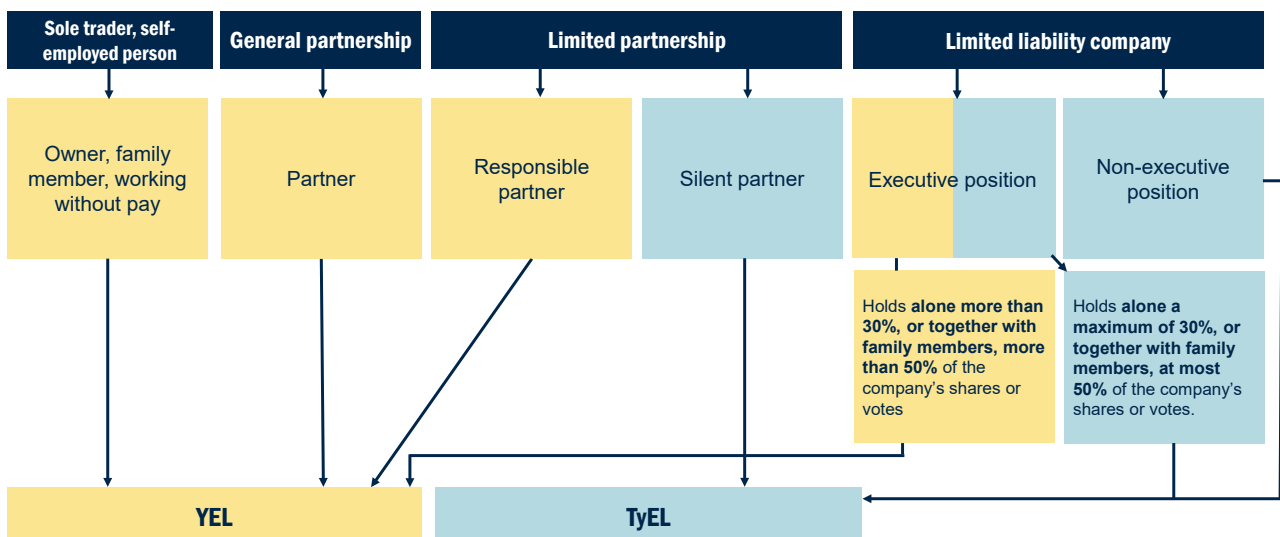
Take out YEL insurance when the following five conditions are met:

1. You are aged between 18–67.
2. You work as a self-employed person for at least four consecutive months.

3. Your YEL income is at least EUR 9,010.28 per year (in 2024).
4. You work in your company or you employ yourself.
5. You live in Finland.

The legal form of your company and your ownership share in the company can also have an impact on whether you need to have YEL insurance. Read more at ilmarinen.fi.

The figure below shows the impact of your company form and ownership share on whether you need to take out YEL insurance.



When?

Take out YEL insurance when your entrepreneurial activity meets the above conditions. It is worth taking care of immediately, but in any case within six months of when your self-employment that meets the YEL conditions started. Please note that you need to take out YEL insurance even if you do not have your own company or business ID or you use a light entrepreneur service. Also if you are a part-time entrepreneur, you need to take out YEL insurance when the above-listed conditions are met.

The easiest way to take out insurance is online at ilmarinen.fi.

If you take out the insurance retroactively, it should take effect from the date when the insured work began. You pay insurance contributions for the entire period when the insurance is in force.

Why take out YEL insurance?

By taking out YEL insurance for yourself, you take care not only of your pension but also your social security. That is why taking out the insurance is statutory, which means it is obligatory.

In addition to your future pension, the benefits paid by Kela, such as sickness allowance and parental allowance, for example, are determined based on the YEL income. YEL income also determines the level of your unemployment security. Self-employed persons' voluntary accident insurance contributions and benefits are also determined based on YEL income.

The YEL income must correspond to the actual value of your work

The YEL income should correspond to the monetary value of your work input. When estimating your YEL income, consider how much you would pay an employee with the same professional skills on a yearly basis. YEL income is the sum of money you would pay to another person for doing your work.

When estimating your YEL income, take also into account the number of your working hours, your company's turnover and the possible seasonality of your business. The YEL income includes all the work you do as an entrepreneur. So you only need one YEL insurance even if you have several companies.

When you take out YEL insurance, we will calculate a recommendation for your YEL income. The recommendation is based on your sector's pay level and it also takes into account the turnover you reported. All of the pension companies use the same recommendation. We will assess the information you provide in the insurance application and confirm an annual YEL income corresponding to your work input. When confirming the YEL income, we will also take into account other information you have provided on your entrepreneurial activities.

YEL income is always determined on an annual basis, regardless of when your YEL insurance begins. For example, if your insurance begins on 1 March 2024, estimate your YEL income for the next 12 months for the period 1 March 2024–28 February 2025.

Read more at ilmarinen.fi.

When is YEL income changed?

If necessary, apply for a change in your YEL income if there are long-term changes in your work as an entrepreneur. Increase your YEL income for example when your entrepreneurial activity expands, or your part-time entrepreneurial activities turn into full-time self-employment. Similarly, apply for a reduction in your YEL income if your work input decreases.

You cannot change your YEL income retroactively, so it is advisable to react to changes in your entrepreneurial activities well in advance. You can apply for a change in your YEL income in our online service, after which we will confirm for you a YEL income corresponding to your annual work input. Changes other than those concerning your entrepreneurial activities and working, such as receiving larger social benefits, are not grounds for changing your YEL income.

We review the amount of your wage coefficient at the start of each year so that your

YEL income does not fall behind the general pay development. In addition, every three years we review whether your YEL income still meets the recommendation. If required, we will provide you with a proposal on

adjusting your YEL income. In this case, you can either accept our proposal or reject it and apply for the YEL income that you think best describes your work contribution.

This table illustrates how your YEL income affects your life.

| Situation | Benefit to be applied for | Impact of YEL income | Who pays |
|--|---|---|--------------------------------------|
| You fall ill | Sickness allowance | The allowance is based on your YEL income | Kela |
| You have a baby | Parental allowance | The allowance is based on your YEL income | Kela |
| You lose your work ability due to an illness | Vocational rehabilitation and/or disability pension | The benefit is based on your YEL income | Employment pension insurance company |
| You lose your work ability or die due to an accident | Benefit from accident insurance: allowance, rehabilitation, survivors' pension etc. | The compensation is based on a sum equal to your YEL income | Non-life insurance company |
| You lose your job | Basic allowance | In order to be eligible for the allowance, your YEL income must be at least EUR 14,803 in 2024 | Kela |
| You lose your job | Labour market subsidy | Support based on a discretionary decision if you are not receiving the basic allowance | Kela |
| You lose your job | Earnings-related allowance | In order to be eligible for the daily allowance, your YEL income must be at least EUR 14,803 in 2024 | Entrepreneur Fund |
| You want to work less or want part of your pension | Partial early old-age pension | The pension is 50 or 25 per cent of the pension that you have accrued by the end of the year preceding your retirement. | Employment pension insurance company |
| You age | Old-age pension or years-of-service pension (under certain conditions) | The pension is based on your YEL income | Employment pension insurance company |
| You die | Survivors' pension | The pension is based on your YEL income | Employment pension insurance company |

Also note that there are lower and upper limits for YEL income. This means that for 2024, your YEL income can be no less than EUR 9,010.28 and no more than EUR 204,625.00.

Size of the YEL insurance contribution

YEL insurance is statutory, which is why the YEL insurance contribution is the same in all employment pension insurance companies.

The size of your YEL insurance contribution is affected by four things:

- 1. Your YEL income.** The contribution is a percentage of your YEL income. The Ministry of Social Affairs and Health confirms the YEL contribution percentage annually.
- 2. Your age.** At the age of under 53 or at least 63, you pay less than between the ages of 53–62.

- 3. Being a first-timer.** When you become self-employed for the first time, you receive the reduction for new entrepreneurs.

- 4. Number of instalments and payment dates.** Those who pay their YEL contributions in one instalment in January pay the least.

[The YEL calculator](#) gives you an estimate of your pension and social security level and the amount of the YEL contribution. You can try out how different instalment months and amounts affect your YEL contribution.

| Age | Pension accrual, % of YEL income in 2024 | YEL contribution, % of YEL income in 2024 | YEL contribution for new entrepreneurs, % of YEL income in 2024 |
|-------------|--|---|---|
| Under 53 | 1.5 | 24.1 | 18.798 |
| 53–62 | 1.7 | 25.6 | 19.968 |
| At least 63 | 1.5 | 24.1 | 18.798 |

Reduction for new entrepreneurs

When you become self-employed for the first time, you will get a 22% reduction on your YEL contributions. You will get the discount during the first 48 months – or four years – of your self-employment. If your self-employment ends earlier, you can use the remaining discount period for another period of entrepreneurship.

The *Guide for new entrepreneurs* is a concise and easy-to-read package that we will send to your email free of charge. [Order the guide.](#)

In one or more instalments

You can pay your annual contributions in as many instalments as you like: 1, 2, 3, 4, 6 or 12 instalments.

However, at least half of the contributions must fall due before August. The due date of the contribution is the 20th of the month or the first weekday following the 20th.

Your contributions are tax deductible

You can deduct all of your YEL contributions in your personal or your company's taxation. If you pay your YEL contributions yourself, you can deduct them in your or your spouse's personal taxation. It is advisable to deduct the contributions in the taxation of the spouse who has the bigger earnings subject to salary income taxation and other progressive taxation. If you pay YEL contributions through your company, deduct the contributions in your company's taxation. Start using an electronic online invoice or e-invoice and benefit the environment.

Tips for coping from Ilmarinen's **Work Ability Hub**

As a self-employed person you are your company's most important resource. So remember to take care of yourself and your well-being. We will provide you with information and support in matters related to work ability. The Work Ability Hub will provide you with new ideas, researched information and daily tools. Check out the information packages for entrepreneurs and use them in your day-to-day life. The themes include mental health, musculoskeletal health and early support. If your work ability weakens, vocational rehabilitation can help you return to working life.

Read more: ilmarinen.fi/tyokyky.

Self-employed person's online service at your fingertips

As Ilmarinen's customer, you automatically gain access to the self-employed person's online service. You can log in to the service using your personal online banking credentials and mobile certificate from the top right-hand corner of the ilmarinen.fi website. In the online service you can, for example, view your YEL contribution information and check the amount of your YEL income and how much pension you have accrued. You can also request an extended term of payment and report changes in your contact details online.

[Read more about the self-employed person's online service.](#)

Self-employed person, become our customer

More than 70,000 self-employed persons have entrusted their most important insurance matters into our hands. We would like you to join them.

Our task is to make sure that you and our other customers receive the pension that you earned from work.

With Ilmarinen, handling your pension insurance matters is fast and easy.

- You have comprehensive online services at your fingertips 24/7.
- You can reach our specialists by phone and chat.
- As a new entrepreneur, you get a 22 per cent discount on your YEL contribution. On our website, you can also order a guide for new entrepreneurs that will help you take your first steps as an entrepreneur.

[Read more about why it pays to become Ilmarinen's customer.](#)