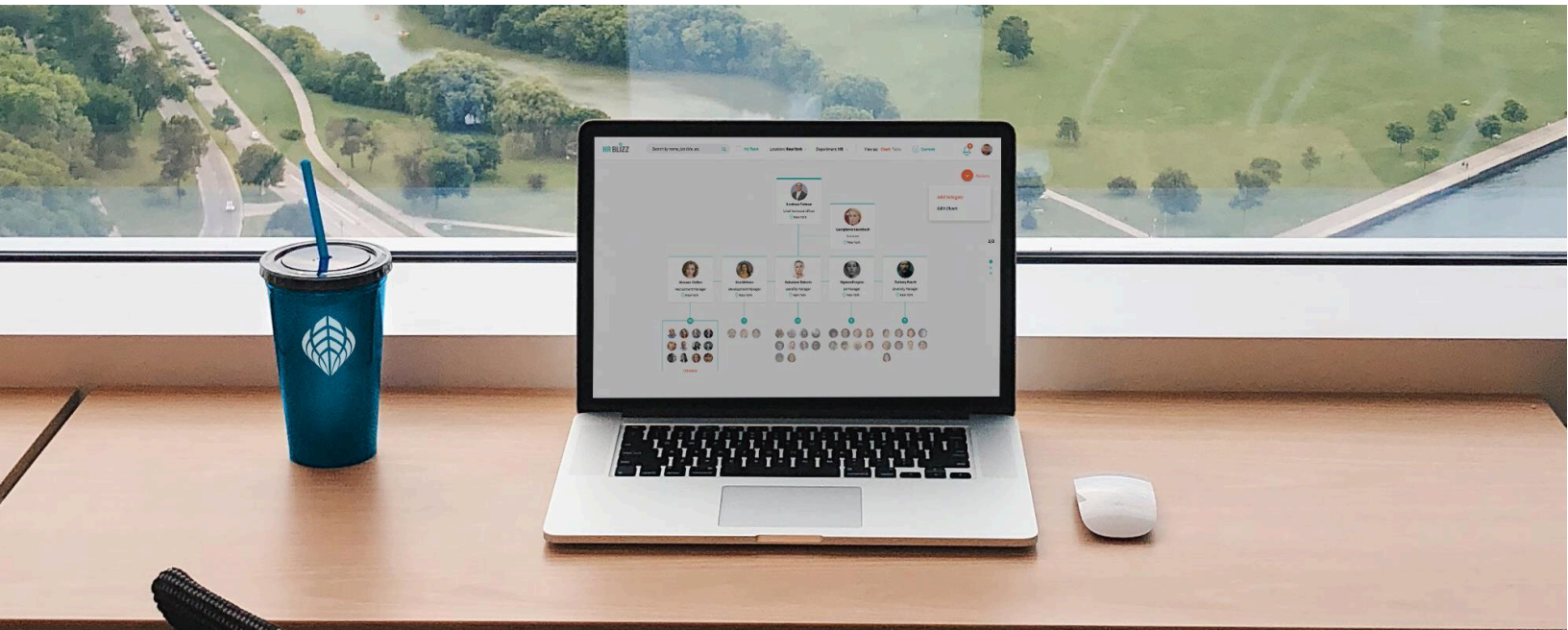


Statutory Change Alert

Finland – Changes To Health Insurance and Unemployment Contribution Rates – 1 January 2025



Finland



Jan 14, 2025

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We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

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Mercans at a Glance

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22k+ Clients Worldwide	97% Client Retention Rate	1.5X Annual Revenue Growth
95k+ Largest Single Country Payroll	25M+ Pay Slips per Annum	0 Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate certificate





Changes To Health Insurance and Unemployment Contribution Rates

Changes in health insurance contribution rates

Employers are required to pay health insurance contributions for employees aged 16 to 67 who are covered by the Finnish social insurance system under the Health Insurance Act. This obligation applies even if no tax is withheld, such as when wages are provided as fringe benefits or when the employee's tax card specifies no withholding. However, health insurance contributions are not applicable to trade income. Employees must also pay a health insurance contribution, which is included in their withholding rate, eliminating the need for employers to deduct it separately from wages.

For employees working abroad, wages may be tax-exempt in Finland under the six-month rule. Nonetheless, both the employee's minimum health insurance contribution and the employer's health insurance contribution must still be paid for insurance purposes.

Employee / Employer	2024 Rate	2025 Rate
Employee- <ul style="list-style-type: none"> • Daily allowance contribution • The health care contribution on wage income and annual earnings 	<ul style="list-style-type: none"> • 1.01% - 0.00% for income of less than €16,499 • 0.51% 	<ul style="list-style-type: none"> • 0.84% - 0.00% for income of less than €16,862 • 1.06%
The minimum withholding (health care contribution and daily care contribution)	0.51%, if incomes are under €16,499	1.06%, if incomes are under €16,862
Employer's Health insurance contribution	1.16%	1.87%
Medical care contribution on pension and social-benefit income	1.48%	1.45%



Increase of the daily allowance contribution for self-employed individuals with YEL insurance	0.22%	0.20%
Self-employed individual's increased daily allowance contribution	1.23%	1.04%

Unemployment insurance contribution

Employers are required to pay unemployment insurance contributions if the total wages paid to employees during a calendar year exceed €1,500. This contribution applies to employees aged 18 to 64 years (previously 17 to 64 years).

Employees are also responsible for unemployment insurance contributions. As an employer, you must calculate these contributions based on the total wages and fringe benefits, and deduct the employee's share directly from their net wages. This insurance obligation also extends to the company's co-owners.

Pay to the Employment Fund (Työllisyysrahasto/Sysselsättningsfonden)	2024 Rate	2025 Rate
Employee's unemployment insurance contribution	0.79%	0.59%
Employer's unemployment insurance contribution	0.27%, if paid wages no more than €2,337,000 a year 1.09%, if paid wages go over €2,337,000 a year 0.27% for partial owners of a company	0.20%, if paid wages no more than €2,455,000 a year 0.80% for the part of wages exceeding €2,455,000 0.20% for partial owners of a company



The unemployment insurance contribution of a shareholder-employee	0.43%	0.30%
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Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change.



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They already trust Mercans





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What Makes Mercans your HR and Payroll Partner of Choice?

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

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Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

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HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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