



The ABCs of pensions for the self-employed

What is YEL insurance?

If you are self-employed in Finland, you must have insurance under the Self-employed Persons' Pensions Act (YEL). This insurance provides you with a pension when you retire and also offers you financial protection during your working life.

YEL insurance is compulsory, so you cannot replace it with a voluntary policy.

How does YEL insurance protect me?

YEL insurance helps you build up pension and social security benefits. Earnings-related pensions make sure that you have an income when you retire or if you become ill and can't work. If you die, your dependent family members may also get financial support.

The amount of social security you get as a self-employed person, like parental allowance and sickness allowance, also depends on your YEL insurance. The insurance also affects the amounts of benefits you get based on voluntary workers' compensation insurance and unemployment insurance.

When must I take out YEL insurance?

You must take out YEL insurance if you meet the following conditions:

- You are between 18 and 69 years old.
- You work as a self-employed person or a light entrepreneur.
- Your business has been going for at least four months in a row.
- You earn at least €9,423 from your work each year (in 2026).

If you run a business and also get an old-age pension, you don't have to pay YEL insurance (but you can take out voluntary YEL insurance).

Just owning a business does not mean that you can get YEL insurance. You must actually work in your company to get it. If you run several businesses, a single YEL insurance policy will cover all of them.

If your business involves family members or business partners, it is important to clarify who of them must be insured under YEL.

What is my YEL income and how is it determined?

The YEL income stated in your YEL insurance refers to the monetary value of your work input in your business. A useful rule of thumb is that your YEL income should be the same as the salary you would pay someone else to do your job.

You can use the calculator "Confirmed income from self-employment" on Tyolake.fi to work out the right level of cover. By entering your business sector and an estimate of your turnover, the calculator will provide an assessment of your YEL income. Your final income amount is confirmed by your own pension provider, based on an overall evaluation that takes into account factors such as the amount of work you do and your level of expertise.

Your pension provider will check your YEL income every three years. Get in touch with your pension provider if you want to talk about your income or if there are any changes in your business activities.

How much is the YEL contribution?

The YEL contribution is 24.4% of your confirmed YEL income. You can deduct the whole amount in your taxation. Under certain conditions, you can change your payments without changing your YEL income.

If you are self-employed for the first time, you receive a 22-per-cent discount on your YEL contributions for the first four years.

How do I earn pension?

Your earnings-related pension is calculated based on all the income you receive throughout your working life, whether you are employed or self-employed. If you are self-employed, your pension accrues from your annual confirmed YEL income. You earn 1.5 per cent of your annual confirmed income towards your pension each year.

If your earnings-related pension is small or you have not built up any pension at all, you will get a national or guarantee pension.

How much do I get?

Your pension record lists the work for which you have earned pension so far. It also shows you how much pension you have earned up to date. Make sure you check your pension record regularly – for example, once a year. This is important because your future pension will be based on the information on your pension record.

You can check how much your future old-age pension will be using your pension provider's online service. You can also estimate your future pension by using the calculator on the Tyoelake.fi website. You don't need to log in to use the calculator.

How does the partial old-age pension work?

The partial old-age pension lets you draw 25% or 50% of your accrued old-age pension early, before

you retire on a full old-age pension. If you start drawing a partial old-age pension before you reach your retirement age, your full old-age pension will be reduced permanently.

If you were born in 1964, you can start drawing part of your old-age pension when you reach 62. If you were born in 1965 or later, the qualifying age goes up gradually. If you are self-employed and your self-employment continues while you draw a partial old-age pension, you must have valid YEL insurance.

How do I claim my pension?

You must claim your earnings-related pension to get it. Use the same form to claim a pension from both the earnings-related pension system and Kela. Make sure you claim your old-age pension about one month before you retire.

Go online to your pension provider's website and fill out your pension claim form. If your own pension provider doesn't have an online application service, you can claim your pension by filling out the paper form or by filling out and printing the online form.

How do I get YEL insurance?

You can get YEL insurance from a pension insurance company or a pension fund that manages pensions for people who are self-employed.

Pension insurance companies

Elo Mutual Pension Insurance Company, Ilmarinen Mutual Pension Insurance Company, Varma Mutual Pension Insurance Company, Veritas Pension Insurance

Industry-wide pension funds

Apteekkien eläkekassa, Eläkekassa Verso

MYEL insurance from Mela

Mela insures farmers and grant recipients under the Farmers' Pensions Act (MYEL).

Tyoelake.fi

- This website offers basic information on pensions and how to claim them.
- Use the calculators to estimate your future pension amount.
- Log in to view your pension information: check your pension record, find your pension provider or claim a pension.

Tyoelake.fi



Finnish Centre for Pensions
ELÄKETURVAKESKUS