

**What does a newly
self-employed
person need to
know about YEL
insurance?**

VARMA



Hello, new entrepreneur!

If you have just started a business or are dreaming of becoming an entrepreneur, this guide is for you. YEL insurance, or self-employed persons' pension insurance, is one of the most important matters for a newly self-employed person. In this guide, we have compiled all the most essential information on YEL insurance that you will need to get started on your entrepreneurial journey.

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YEL insurance in a nutshell

If you are unfamiliar with the letter combination YEL, you might want to start reading here!

What is YEL insurance?

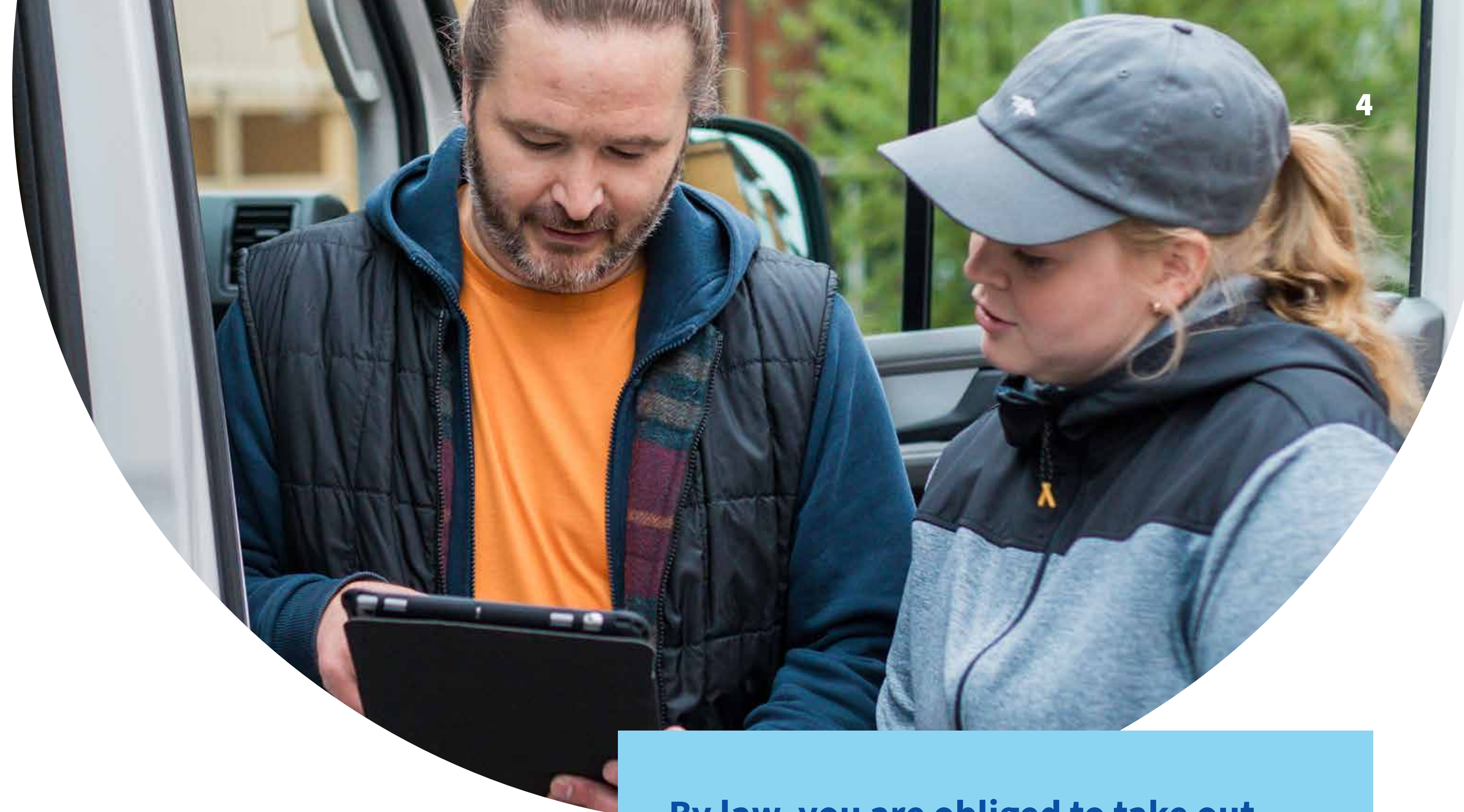
Self-employed persons' pension insurance, or YEL insurance, is the most important insurance for self-employed persons. It not only accrues a pension, but also forms the basis of your social security. This means that it affects sickness, parental and unemployment allowances, among other things.

YEL insurance is statutory, i.e. compulsory. In other words, you cannot opt out of it or replace it with voluntary pension insurance.

Your YEL insurance contributions are based on your YEL income, which is the monetary value of your work input on an annual basis. Varma confirms your YEL income after an overall assessment. Read more about the YEL income on page 6.

By law, you are obliged to take out YEL insurance when

- **you are at least 18 years old**
- **you work in your own company or as a light entrepreneur**
- **your self-employed activities continue for a minimum of four months**
- **your YEL income, i.e. the value of your work input, is at least EUR 9208.43 or EUR 767 per month (in 2025)**





Take out Varma's YEL insurance **online** or by calling our customer service on **+358 10 192 100.**

When do you need to take out YEL insurance?

In short: Take out YEL insurance within six months of starting your business. The start date for YEL insurance is the same as the date you start your business.

The six months is the period during which the self-employed person has the opportunity to assess the beginning of their business activity and to evaluate their earnings and annual YEL income.

However, it is worth remembering that the six-month arrangement period does not exempt you from paying YEL contributions from this period. Even if you take out YEL insurance after the beginning of your business activity, the start date of your insurance is always the date when you start your business activity, and contributions must also be paid retroactively from the start date.

It is best to take out YEL insurance in good time. If you take out YEL insurance after the six-month arrangement period, you may have to pay, in addition to the normal YEL contribution, a negligence penalty of at least 10% of the YEL contribution for the period of negligence.

Why is YEL insurance important?

YEL insurance accrues a self-employed person's pension, and it is also a basis for social security and provides security in different life situations. With a YEL income that corresponds to a realistic level of earnings in the sector, your income is protected even if you fall ill, have a child, become unemployed or lose your work ability. In the event of death, YEL insurance also affects the amount of the survivor's pension. Read more about the security provided by YEL insurance on pages 7-8.

What is the YEL income?

The YEL income is the monetary value of the self-employed person's work input, which is used to calculate the self-employed person's pension accrual and other social security.

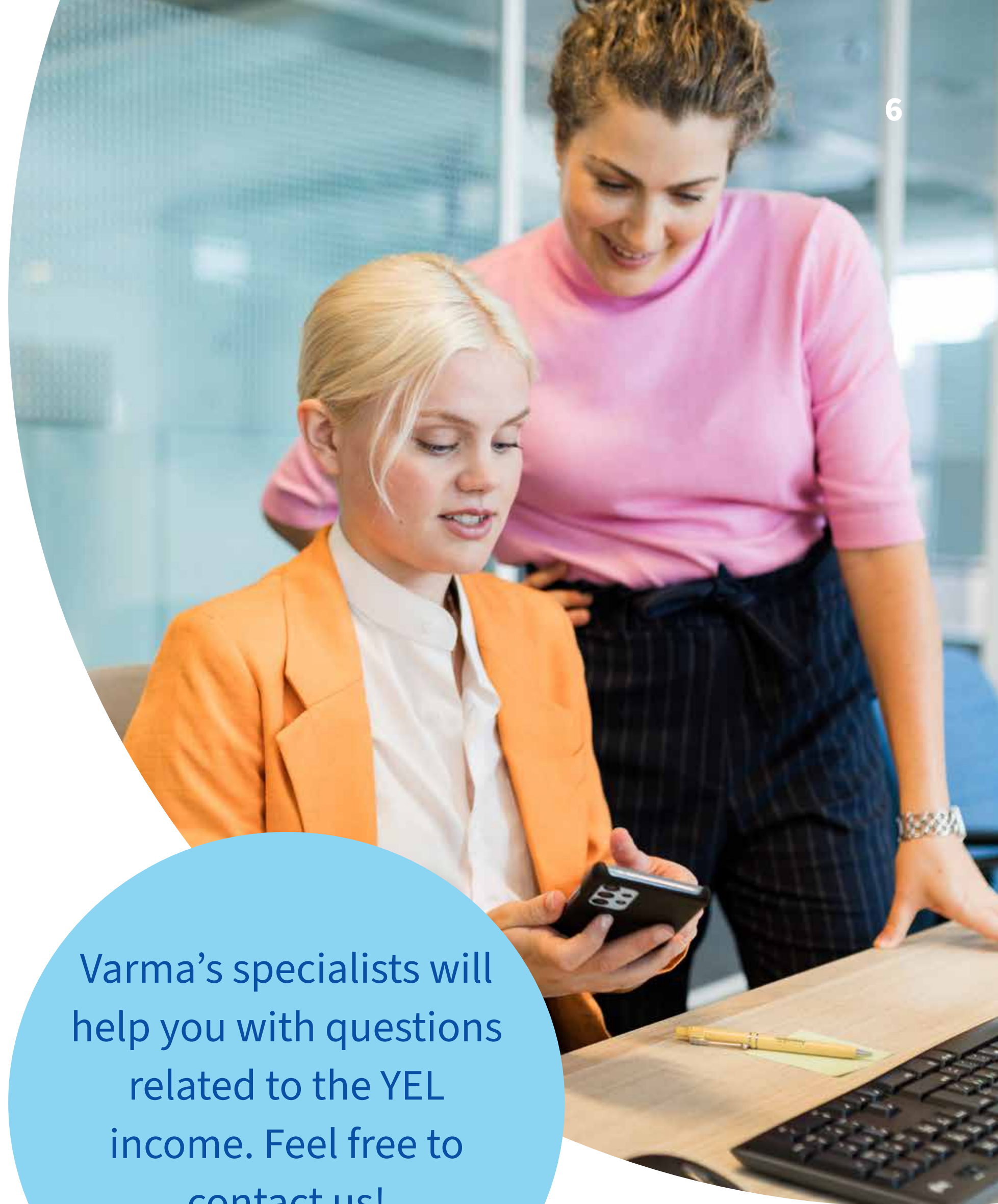
When you take out YEL insurance, provide your estimate of the value of your work input on the insurance application form. [You can estimate the correct level of your YEL income by using the YEL income calculator.](#) Your YEL income should correspond to the annual salary that you would have to pay for the same work to another person as skilled as yourself. The YEL income is always estimated on an annual basis, not for the calendar year but for a 12-month period, for example from the beginning of April of the current year to the end of March of the following year.

The earnings-related pension company confirms your YEL income

The earnings-related pension company confirms the YEL income corresponding to the work input and takes into account not only your estimate but also your company's industry, turnover estimate, number of working hours and any seasonal nature of the business activities, for example. Once we have set your YEL income to correspond to the value of your work input, your pension and social security benefits will be based on a realistic level of income in your sector, for example if you fall ill.

When to apply for a change in the YEL income?

If there is a long-term change in your work input, you must inform us and apply for a change in your YEL income. You must apply for a change in your YEL income if, for example, your turnover, working hours or industry change. However, it is important to remember that you cannot apply for a change in your YEL income retroactively.



Varma's specialists will help you with questions related to the YEL income. Feel free to contact us!

☎ **010 192 100**

What does YEL insurance cover?

Things happen in the life of an entrepreneur too. YEL insurance not only accrues your future pension, but also provides security if you fall ill, become unemployed or have a new addition to your family.

If you fall ill

If the illness is short-term, you do not have to notify your pension insurance company and you do not have to terminate your YEL insurance. You can apply for sickness allowance or partial sickness allowance from Kela. Its amount will be based on your YEL income.

[Read more about sickness allowances on Kela's website.](#)

If you become unemployed

Did you know that a self-employed person can join an unemployment fund in the same way as an employee? If your entrepreneurial activity ceases for one reason or another and you meet the employment condition of the unemployment fund, you may be entitled to earnings-related unemployment allowance. The Entrepreneur Fund is the only unemployment fund for the self-employed in Finland. You can join if you have YEL insurance and your YEL income is at least EUR 15,182 per year (2025).

If you are not a member of the unemployment fund, you can apply for unemployment benefit from Kela.

If you take family leave

If you take longer family leave and do not work during your leave, you will need to terminate your YEL insurance. You can apply for parental allowance and childcare allowance from Kela. The amount of parental allowance is based on your YEL income.

[Read more about parental allowances for self-employed persons on Kela's website.](#)





YEL insurance accrues an earnings-related pension

The main pension benefit of YEL insurance is the old-age pension, which you can draw at the earliest when you reach the lowest possible retirement age, or later if you wish. It is also possible to draw a partial old-age pension before the old-age pension. However, the partial old-age pension reduces the amount of the full pension if it starts before the lowest retirement age.

If your work ability weakens

If your work ability weakens because of an illness or injury, you may be entitled to a disability pension or vocational rehabilitation.

The disability pension may be granted as a full, partial or fixed-term pension, depending on

how your work ability has weakened. Vocational rehabilitation helps you to return to work or to continue working despite your health restrictions.

Vocational rehabilitation options include:

- Work trial for the self-employed
- Job coaching for a new or modified business activity
- A business subsidy for changing business activities
- Education for a new occupation

Security from a survivors' pension

A survivors' pension can also be paid on the basis of YEL insurance. It provides financial security in the event of the death of a spouse or guardian.

How much does YEL insurance cost?

The price of YEL insurance is calculated using your YEL income. To ensure that your pension and other social security benefits reflect reality as closely as possible, it is important that your YEL income is correctly calculated from the beginning. With the **YEL calculator**, you can calculate the impact of your YEL income on your YEL contribution, social security and pension.

Did you know that...

The newly self-employed get a 22% discount on their YEL contributions for the first four years.

The YEL contribution is fully deductible either on your personal or company's taxation.

[Read more about the price of YEL insurance](#)

Easily take care of your YEL insurance matters online

As Varma's customer, you get access to our free Varma Online Service where you can digitally take care of all your YEL insurance and payment matters and send secure messages to our specialists.

In Varma Online Service you can, for example:


- Update your contact details
- Access invoice details and request payment extension
- Print certificates
- Change your YEL income

Varma Academy supports the self-employed person's work ability

Varma's YEL insurance customers also have access to the Varma Academy e-learning environment for content that develops work ability management.

Varma Academy includes content to support entrepreneurs' work ability, whether you want to read, listen or watch. For example, you will find online courses, webinars and podcasts designed for entrepreneurs. You can find Varma Academy in Varma Online Service.

[Log in to Varma Online Service](#)



Varma Online
Service is always
open, so you can
access it at your
convenience!

Three great reasons to take out YEL insurance from Varma

- 1** You can take care of your YEL insurance matters conveniently in Varma Online Service when it suits you best. In Varma Online Service, you will also find Varma Academy which includes content for developing work ability management to support your work and company.
- 2** Our friendly and professional customer service is easily accessible by phone, in chat and through Varma Online Service.
- 3** Varma has its knowledgeable in-house collection advisors. If you ever find yourself in need of flexible payment arrangements, don't hesitate to get in touch! Together we will find a solution to your situation.

Did you decide to take out YEL insurance?

Here's how to do it easily:

Online

For the insurance application, all you need is:

- 2–5 minutes
- Your online banking codes or Mobile Certificate.

If you already have YEL insurance elsewhere, Varma will take care of the termination for you.

Take out YEL insurance

By phone

Call us on **+358 10 192 100** (Monday to Friday, 8:00–16:00). Varma's customer service can take care of everything related to YEL insurance for you. You can also submit a call-back request through the phone service.