

**Unemployment Security  
for Entrepreneurs,**  
Agricultural Entrepreneurs,  
Light Entrepreneurs and  
Partial Owners



**entrepreneur  
fund**

# The Entrepreneur Fund in a nutshell

Unemployment may seem like a far-fetched idea to an entrepreneur. But running a business always involves risk: Approximately half of Finnish companies close down within 5 years of being established. So why not think ahead and prepare now?

## What is the Entrepreneur Fund?

The Entrepreneur Fund is an unemployment fund for entrepreneurs. By joining the Entrepreneur Fund, entrepreneurs can assure themselves of a source of income in the event of unemployment.

The Entrepreneur Fund pays an earnings-related unemployment allowance to unemployed members who meet the criteria. The purpose of the Fund is thus to increase the quality of life and security of entrepreneurs through voluntary unemployment insurance.

The Entrepreneur Fund is an ideologically and politically unaffiliated unemployment fund whose primary role is to pay earnings-related unemployment allowances and other benefits to its members. It is the only Finnish unemployment fund for entrepreneurs and has been in operation since 1995.

The Fund presently has about 27,000 members. Last year, the Fund paid benefits to roughly 1,300 members.

## What are the duties of the Entrepreneur Fund?

The Entrepreneur Fund is an organisation operating according to the principle of mutual responsibility. Its purpose is to provide its members with the income security provided for in the Unemployment Security Act and the income support provided for in the Act on Public Employment and Business

Service, as well as to pay other statutory benefits falling within the scope of the Fund's activities to its members in accordance with current legislation.

The Fund is managed by its members. Final decision-making power in the Entrepreneur Fund is exercised by the General Meeting, which is open to all members. The Fund's Board of Directors is responsible for ensuring that the Fund's affairs are handled in accordance with current legislation, the Fund's By-Laws and decisions made by the Fund's General Meeting.

## Who can join the Entrepreneur Fund?

The Entrepreneur Fund is intended for the following entrepreneurs, regardless of sector or company form:

- entrepreneurs
- light entrepreneurs
- farmers
- entrepreneurs' spouses
- co-owners of companies
- the self-employed

Accordingly, the Entrepreneur Fund has members from all conceivable industries. Whether you are an accountant, consultant or construction entrepreneur – the Entrepreneur

Fund has got your back.

In other words, the Entrepreneur Fund is open to **any entrepreneur permanently resident in Finland, regardless of company form or sector**. The most important condition for joining is that your gross annual income reported for your pension insurance (YEL, MYEL or TyEL) is at least EUR 14,803 in 2024.

## Why should I be a member of the Entrepreneur Fund?

Unexpected events or broader social developments can be difficult to anticipate. That is why entrepreneurs too should prepare for the future rather than react when the damage has already been done.

Membership in the Entrepreneur Fund is affordable and straightforward risk management. The minimum level of fund membership costs less than 10 euros per month – with that money, you can get popcorn at the movies or, alternatively, earnings-related unemployment security.

## What are the benefits of Fund membership?

Only members of the Entrepreneur Fund are entitled to earnings-related unemployment allowance at the end of their business activities. Entrepreneurs who are not members of the Entrepreneur Fund are only entitled to basic unemployment allowance paid by the Social Insurance Institution of Finland (Kela).

Even the minimum earnings-related daily allowance paid by the Entrepreneur Fund is higher than the unemployment benefit paid by Kela.

## How much does membership in the Entrepreneur Fund cost?

The amount of the Entrepreneur Fund's tax-deductible membership fee is determined according to the insurance level selected by the member. In 2024, the minimum membership fee will be less than 10 euros per month, or about 109 euros per year. You can estimate the amount of your membership fee at [yrittajakassa.fi/en/for-members/calculators](https://yrittajakassa.fi/en/for-members/calculators)

# 5+1



## reasons to join the Entrepreneur Fund

1. Being an entrepreneur always involves risk, and entrepreneurs should insure themselves against unemployment.
2. The unemployment insurance offered by an unemployment fund is affordable risk management.
3. Only entrepreneurs who are members of the Entrepreneur Fund are eligible for earnings-related daily allowance at the end of their business activities.
4. At its lowest, the tax-deductible membership fee of the Entrepreneur Fund is less than 10 euros per month.
5. Membership in the Entrepreneur Fund is already worth it at the minimum level (annual work income EUR 14,803/month). Even at the minimum level, the earnings-related unemployment allowance is higher than the unemployment benefit paid by Kela.

- + 1. Unlike with the basic social security paid by Kela, you normally accrue a pension of 1.5 per cent of the earnings-related unemployment allowances paid by the Entrepreneur Fund up to the minimum retirement age.

## What is YEL income?

An entrepreneur's social security is based on the YEL income set for their pension insurance. YEL income means the value of the entrepreneur's work input for their company.

The entrepreneur's work income should correspond to the annual salary that would be paid to another equally skilled person for the same work. If this work income is at least 14,803 euros in 2024, the entrepreneur is eligible to join the Entrepreneur Fund.

Contact your pension insurance company to update your YEL income.

# Who is an entrepreneur in terms of unemployment security?

Can anyone join the Entrepreneur Fund? Not quite. There are a few conditions laid down in the Unemployment Security Act.



## Did you know?

The family members of an entrepreneur working in a family-owned business and the co-owners of a company are also often considered to be self-employed in terms of unemployment security.

Check which fund you can join to insure yourself.

## Is your ownership share below the Entrepreneur Fund's membership thresholds?

→ In that case, you should take out unemployment insurance from a wage-earners' fund. More information: [www.tyj.fi](http://www.tyj.fi)

## Is your YEL or MYEL pension level not enough?

→ Increase your pension level and join the Entrepreneur Fund.



**Questions?** Call (09) 622 4830 or send an email to [neuvonta@yrittajakassa.fi](mailto:neuvonta@yrittajakassa.fi)

## Who is an entrepreneur in terms of unemployment security?

A person who is required to take YEL or MYEL insurance (grant recipients excluded) is considered an entrepreneur under the Unemployment Security Act. A person is also an entrepreneur if they are engaged in gainful employment without being in an employment or public service relationship (e.g. freelancers and light entrepreneurs).

In order to be eligible for Entrepreneur Fund membership, an entrepreneur must also have statutory pension insurance based on an annual work income of at least EUR 14,088.

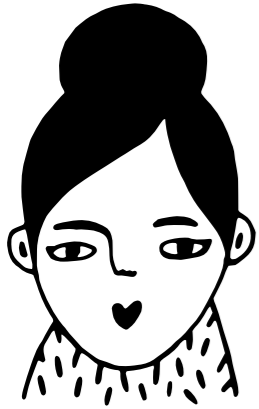
In terms of unemployment security, a co-owner covered by TyEL insurance or a family member of an entrepreneur is also considered to be an entrepreneur if they:

- have sole ownership of at least 15 per cent or joint ownership with a family member of at least 30 per cent of a company in which they hold a managerial position (CEO, Board member); or
- own, alone or together with family members, at least 50 per cent of a company in which they work in a non-managerial position (employee).

'Family members' refer to spouses, cohabiting partners, children and parents living in the same household as the

entrepreneur. The company's CEO and Board members are considered to hold a 'managerial position'.

Indirect ownership through another company may also be included in the ownership share used for defining whether you are an entrepreneur. Indirect ownership through another company is counted if the person owns at least 50 % of the intermediary company alone or together with their family.



It is a good idea to join the Entrepreneur Fund when your company is doing well. To be eligible for the daily allowance, you must have been active as an entrepreneur for at least 15 months during your Fund membership.

# Starting a business



### Becoming a full-time entrepreneur

Have you started as a full-time entrepreneur? Great! You should join the Entrepreneur Fund as soon as you go into business so that you can immediately start accruing time for your work requirement. You can receive an earnings-related unemployment allowance from the Entrepreneur Fund as soon as 15 months after joining should you become unemployed.

### From a wage-earners' fund to the Entrepreneur Fund – enjoy uninterrupted unemployment security

If you are a member of a wage-earners' unemployment fund who has fulfilled the wage-earner's work requirement and switch to the Entrepreneur Fund within three months of becoming an entrepreneur, there will be no interruption in your income security. You must join within one month of leaving

the previous fund. In addition, you must have paid your membership fees in the previous fund up until the moment of transition.

You should not stay in a wage-earners' fund as an entrepreneur, as you will not accrue the right to an entrepreneur's daily allowance from such membership. In addition, any right to a wage-earner's daily allowance that you may have earned will expire when you have been an entrepreneur for 18 months.

If you did not have the time to join when you went into business, join now: it will minimise the interruption in your unemployment security. Your entitlement to a daily allowance based on earned income remains valid for a maximum of 18 months from starting your business, while your entitlement to a daily allowance based on entrepreneurial income will begin when you have worked as an entrepreneur for at least 15 months while being a member of the Entrepreneur Fund.

**Entrepreneurial business activities would normally be considered having started, once**

1.

the company or self-employed person has started up actual production activities or economic activities, **and**

2.

the company or self-employed person has been entered on the Value-added Tax Liability Register and on the Prepayment Register maintained by the Tax Administration, **or**

3.

the company has been entered on the Employer Register maintained by the Tax Administration.

### Joining the Entrepreneur Fund

The Entrepreneur Fund welcomes both seasoned entrepreneurs and those just starting out. You can join the Fund if you are an entrepreneur and the annual work income of your statutory entrepreneur's pension insurance (YEL, MYEL or TyEL) **is at least 14,803 euros**. You can fill in the registration form at [yrittajakassa.fi](http://yrittajakassa.fi).

Members of the Entrepreneur Fund are entitled to an earnings-related unemployment allowance if they have been members and fulfilled the work requirement for at least 15 months.

Your membership will take effect from the day your application arrives at the Fund. You cannot join the Fund retroactively. If you are not sure whether you should insure yourself with the Entrepreneur Fund or a wage-earners' fund, take the 'Are You an Entrepreneur' test on the Entrepreneur Fund's website.

### Choose the amount of your earnings-related allowance

As a member of the Entrepreneur Fund, you choose the level of your unemployment security. For example, if your YEL income is 20,000 euros per year, you can choose any amount between 14,803 and 20,000 as your insurance level with the Entrepreneur Fund. The earnings-related allowance varies depending on the level of your insurance level.

We recommend taking out insurance immediately for an amount equal to your YEL, MYEL or TyEL income. Please notify the Fund in writing of any changes in your work income.

### How do I choose my insurance level with the Fund?

1.

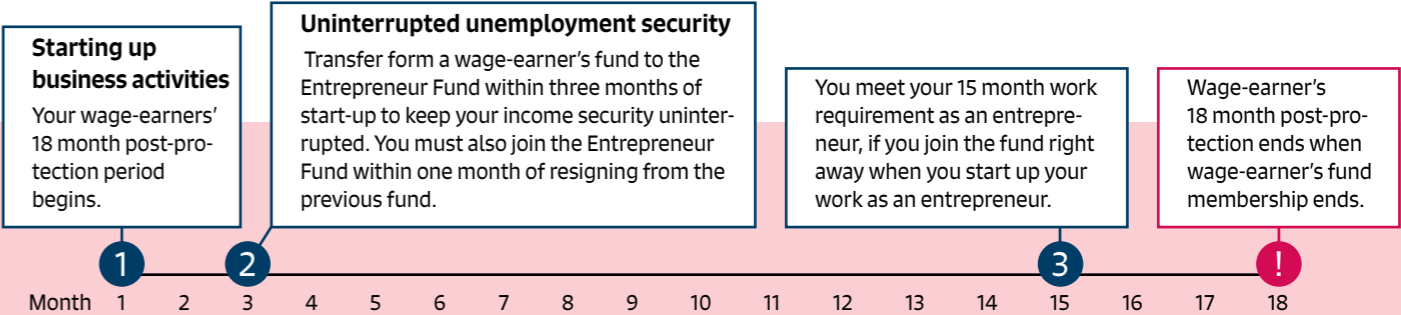
**Entrepreneurs insured under YEL and MYEL**

The annual work income under YEL or MYEL insurance is the maximum amount for which an entrepreneur can insure themselves with the Entrepreneur Fund. The insurance level of individuals with both YEL and MYEL insurance is determined according to the calculated work income agreed with the insurance company. YEL and MYEL work income as well as TyEL wages earned as an entrepreneur can be totalled when choosing the insurance level with an unemployment fund.
2.

**TyEL-insured co-owners or family members**

The annual TyEL earnings are the maximum amount for which an entrepreneur can insure themselves with the Entrepreneur Fund. For someone insured under TyEL, this means the earnings subject to pension insurance. If you also have YEL or MYEL income, you can add them up when choosing your insurance level with the Fund.

In 2024, the minimum work income counted for an entrepreneur's work requirement is EUR 14,803/year.



# What does membership cost?

The amount of the Entrepreneur Fund’s tax-deductible membership fee is determined according to the insurance level selected by the member. In 2024, the minimum membership fee will be less than 10 euros per month.

The Entrepreneur Fund’s membership fee is 2.1 per cent of the part of your annual work income exceeding 9,600 euros. The maximum level of your insurance with the Entrepreneur Fund is equal to the annual work income (YEL, MYEL, TyEL) on which your pension insurance is based. You can thus base your insurance on any amount equal to or exceeding 14,803 euros.

You should take out unemployment insurance equal to your YEL, MYEL or TyEL income right from the start, since any later increases of over 20 per cent will take 15 months to gain full effect.

Entrepreneurs can deduct the Fund’s insurance premiums in their personal taxation.



**OUR TAX-DEDUCTIBLE MEMBERSHIP FEE STARTS FROM EUR 9.10/MONTH.**

### Entrepreneur’s allowance

The entrepreneur’s allowance paid by the Entrepreneur Fund consists of a basic component and an earnings-related component. The basic unemployment allowance is 37.21 euros in 2024. The earnings-related part is 45 per cent of the difference between your daily wages and the basic component. If your monthly income exceeds 3,534.95 euros, the earnings-related part is 20 per cent for the part of your income exceeding this level. Examples of work income, membership fees and daily allowances are provided in the adjacent table. For example, if your YEL income is 20,000 euros per year, you can choose any amount between 14,803 and 20,000 as your insurance level with the Entrepreneur Fund.

Examples of work income, membership fees and daily allowances in 2024

WORK INCOME €/year	MEMBERSHIP FEE €/month	MEMBERSHIP FEE €/year	DAILY ALLOWANCE €/day	DAILY ALLOWANCE €/month	DAILY ALLOWANCE VS. KELA'S BASIC ALLOWANCE €/month
14 803	9,10	109,26	46,28	995,02	195,00
17 000	12,95	155,40	50,11	1077,51	277,49
20 000	18,20	218,40	55,35	1190,00	389,98
25 000	26,95	323,40	64,07	1377,51	577,49
30 000	35,70	428,40	72,79	1565,01	764,99
35 000	44,45	533,40	81,51	1752,51	952,49
40 000	53,20	638,40	90,23	1940,01	1139,99
45 000	61,95	743,40	96,45	2073,75	1273,73
50 000	70,70	848,40	100,33	2157,08	1357,06
60 000	88,20	1058,40	108,08	2323,75	1523,73
70 000	105,70	1268,40	115,83	2490,41	1690,39
80 000	123,20	1478,40	123,59	2657,01	1857,06

## If you become unemployed:



# When is an entrepreneur entitled to a daily allowance?

Can an entrepreneur be unemployed? The answer is simple: yes. An entrepreneur is entitled to daily allowance when they have fulfilled the entrepreneur's work requirement and are no longer considered as entrepreneurs in the terms of unemployment security law.

## When are you considered out of business?

You are considered out of business when your company has been sold, declared bankrupt or placed into liquidation, or the partners of a company other than a limited liability company have agreed on the dissolution of the company. As a rule, you are also considered to be out of business when production and economic activities have ended and the entrepreneur has stopped paying pension insurance. In addition, the entrepreneur must notify the Tax Administration of the termination of business and of the company's removal from the prepayment, employer and VAT registers. The company may remain in the Trade Register.

An entrepreneur cannot lay themselves off due to a decrease in work. However, a daily allowance will be paid in the following situations even if you are not out of business:

- your ability to work is permanently and significantly impaired;
- your business is seasonal due to natural conditions; or
- you work for a small number of clients and are in a situation comparable to an employee, without a permanent place of business or similar establishment.



## Going out of business as a private trader

A private trader can be considered to be out of business when the following conditions are met:

1. Production and economic activities have ceased according to the applicant's reliable declaration, or it is otherwise obvious that the activity will no longer be continued.
2. The individual has given up any pension insurance under the Entrepreneurs Pensions Act or the Farmers Pensions Act.

## Laying off an entrepreneur's family member

An entrepreneur's family member may be entitled to an unemployment benefit based on a full-time lay-off if they are insured under the Employees Pensions Act and the company has also laid off or dismissed other employees than the entrepreneur's family members.

## If you become unemployed

- An entrepreneur who has become unemployed must register with the Employment and Economic Development (TE) Office as an unemployed jobseeker. The employment authority then issues a statement to the Fund on the entrepreneur's unemployment. The Fund cannot make decisions that contradict the TE Office's statement.

- The earnings-related daily allowance is paid for five working days a week, normally for a maximum of 400 days.
- Your spouse's income does not affect the daily allowance.
- The amount of the daily allowance, may not exceed 90 per cent of the work income on which the daily allowance is based.
- A reduced membership fee of EUR 4/month is paid during unemployment.
- An unemployed person can work part-time or full-time. Those working part-time receive an 'adjusted allowance'.

## Conditions for receiving a daily allowance

- In order to receive a daily allowance, you must register as a jobseeker with the TE Office, which will verify that you are out of business or work.
- The payment of the daily allowance requires both a positive statement from the TE Office and the fulfilment of the work requirement (see next paragraph).
- A new entrepreneur may be entitled to a daily allowance based on post-protection.
- Possible periodisation of sales profits may postpone the daily allowance start date.
- Earnings-related daily allowance can be received up to the age of 65.

## Entrepreneur's work requirement

The entrepreneur's work requirement is met if you have been an entrepreneur and a member of the Entrepreneur Fund for at least 15 months during the previous 48 months. You must also have been paying at least the minimum level of EUR 14,803 per year in pension insurance for the same period. Please note sickness, pregnancy or special pregnancy allowances do not accrue the entrepreneur's work requirement. If an entrepreneur has not fulfilled the entrepreneur's work requirement and have been in business for less than 18 months when they become unemployed, the Fund will

determine whether the entrepreneur's right to a salary-based daily allowance ('post-protection') is still valid.

## How is the entrepreneur's earnings-related allowance paid?

The earnings-related daily allowance is calculated from the level of pension insurance or the average of the levels for which you had insured yourself in the last 15 months before going out of business. You must have accrued 15 months of work requirement over the last 48 months. The earnings-related daily allowance is taxable income. When determining your earnings-related unemployment allowance, the Fund compares your level of insurance with both the Entrepreneur Fund and the pension insurance company in the same period. The daily allowance is determined according to the lower level of insurance. In 2024, the minimum amount of pension income entitling to a daily allowance is EUR 14,803/year. If the pension insurance income and/or the income reported to the Entrepreneur Fund has varied, the daily allowance is based on the average monthly income for the 15 months preceding unemployment. According to the Unemployment Security Act, an increase of up to 20 per cent in the work income can be taken into account. If you increase your insurance level with the Fund by more than 20 per cent, the increased level must be maintained for at least 15 months before the portion exceeding 20 per cent will be included the basis for earnings-related unemployment allowance.

## Duration of earnings-related unemployment allowance

The earnings-related daily allowance is paid for five working days a week, normally for a maximum of 400 days of unemployment. If the earnings-related unemployment allowance is paid for 5 days a week, the 400 days will be used up in about 18 months at the earliest. If the unemployed person has a work history of less than 3 years, the maximum duration of the daily allowance is 300 days. Persons who have met the work requirement after the age of 58 and have worked for at least five years during the previous 20 years may be paid an earnings-related unemployment allowance for 500 days. After the maximum period has elapsed, former entrepreneurs can apply for a labour market subsidy from Kela.

**Deductible period and periodisation of sales profit**

The deductible period is always seven (7) working days. An entrepreneur who has become unemployed must fill in a declaration form about the company's financial situation at the time of going out of business.

The entrepreneur is not entitled to earnings-related unemployment allowance for the period over which the sales profit from the sale of business assets related to the termination of business activities has been spread. Sales profits from the company's fixed assets or other long-term investments are also considered to be related to the closing down of the business if they were received during the six months prior to going out of business.

Sales profits may arise, for example, from the sale of shares, a partnership interest, a business or corporate assets. It is also worth noting that sales profit can also arise from unsold business assets or assets taken for the entrepreneur's personal use.

However, sales profits will not be spread if the company has been in business for no more than 18 months or if the balance sheet total of the company's the last financial year minus liabilities does not exceed 20,000 euros. In the absence of a balance sheet, an inventory will be used.

The sales profit will be spread on the basis of the work income on which the earnings-related allowance is based. Profit from the sale of corporate assets will be spread over a maximum of 24 months. Such periodisation will postpone the start date of the maximum period of earnings-related unemployment allowance.

**Starting a business while unemployed**

Business activities started while unemployed will not prevent the payment of the daily allowance for a period of four months from the start of employment. However, you must notify the TE Office in advance of starting your business.

Business income will reduce the amount of earnings-related unemployment allowance in accordance with the provisions on adjustment. If the business activity is considered to be part-time when the four months have elapsed, the payment of earnings-related unemployment allowance can continue. A person considered to be a full-time

entrepreneur will no longer be entitled to earnings-related unemployment allowance after the four months.

A start-up grant and an earnings-related daily allowance / adjusted daily allowance will not be paid at the same time. Therefore, the applicant must choose which benefit to apply for.

**Part-time business activities while unemployed**

An entrepreneur engaged in part-time business activities may be entitled to an adjusted unemployment benefit. Income from business activities is taken into account in the amount of the benefit. An entrepreneur can demonstrate that their business activities or work are not an obstacle to accepting full-time work. This can be demonstrated by engaging in either business or full-time work unrelated to your own work for at least six months, provided that there are no changes in the scope of the business activity.

Business activities can also be considered part-time based on another report of their minor nature. Fund members meeting the work and insurance requirements are eligible for an adjusted earnings-related daily allowance. In addition, the applicant must be registered as an unemployed jobseeker, able to work and available to the labour market. Further information is available from the TE Office [www.tyomarkkinatori.fi](http://www.tyomarkkinatori.fi)

**Mobility allowance**

Unemployment funds also pay mobility allowances. If you are unemployed, you are eligible for a mobility allowance if you accept (a) full-time work with a round-trip commute of more than three hours or (b) part-time work with a round-trip commute of more than two hours. Mobility allowance for part-time work is paid for the days actually worked.

**Increased daily allowance for the duration of employment-promoting services**

The TE Office can direct jobseekers to services that promote employment, during which the jobseeker is entitled to unemployment allowance. A person receiving a daily allowance may be entitled to an increased earnings-related part for the duration of the employment-promoting service.

Such services include, for example, career and job search coaching, training and work trials, labour market training, self-motivated studies supported by unemployment benefits, self-motivated studies referred to in sections 22–24 of the Act on the Promotion of Immigrant Integration, and rehabilitative work activities.

The increased earnings-related part is 55 per cent of the difference between your daily wages and the basic component. If your annual income exceeds the break point (EUR 42,419.40 in 2024), the earnings-related part will be 20 % for the excess.

The increased earnings-related part is paid for a maximum of 200 days. Unemployment benefits will be paid for the duration of employment-promoting services regardless of any cooling-off period. The deductible period will also run during employment-promoting services, i.e. the benefit is paid regardless of a possible deductible period.

A daily allowance can also be granted to an entrepreneur at risk of unemployment even if they have not gone out of business. In this case, the amount of the benefit will be equal to the basic unemployment allowance.



Our tax-deductible membership fee starts from EUR 9.10/month. The same money will buy:



Popcorn at the cinema



Soup lunch



Two specialty coffees



Earnings-related unemployment security



## Did you know that as an entrepreneur you are also entitled to unemployment benefit?

### Why join the Entrepreneur's Fund?

You ensure yourself income-related unemployment benefit in case your business activity ends. Even at minimum level, the allowance is higher than the unemployment compensation paid by Kela.

### What does joining require?

You must operate as an entrepreneur and your pension insurance (YEL, MYEL, or TyEL) annual income must be at least €14,803 in 2024.

### When is entrepreneur entitled to income-related unemployment benefit?

To receive unemployment benefit, your membership and YEL insurance must have been in force for at least 15 months. Your business operations must have also been terminated.



The Entrepreneur Fund's expert staff are at your service to give advice in matters relating to unemployment security for entrepreneurs and their families.

**Tel. (09) 622 4830**

Mondays thru Thursdays 9-12 AM,  
Tuesdays 1-3 PM

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