



**Unemployment  
Security for  
Entrepreneurs,  
Agricultural  
Entrepreneurs,  
Light Entrepreneurs  
and Co-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 the only unemployment fund in Finland for entrepreneurs. By joining the Entrepreneur Fund, entrepreneurs can secure a source of income during uncertain times. The primary role of the Entrepreneur Fund is to pay earnings-related unemployment allowances and other benefits to its members.

The non-profit Entrepreneur Fund began its operations in 1995. Today, the Fund has about 27,000 members. Last year, the Fund paid benefits to around 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

Any entrepreneur permanently resident in Finland can join the Entrepreneur Fund, regardless of the line of business or company form. The most important condition for joining is that your gross annual income reported for your pension insurance (YEL, MYEL or TyEL) is at least 14,803 euros in 2024.

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

In an uncertain world, success is not always up to you. Even the most talented entrepreneur cannot predict becoming unemployed.

By joining the Entrepreneur Fund, entrepreneurs secure a source of income for themselves and their family during difficult times.

Membership in the Entrepreneur Fund is an affordable form of risk management. At minimum, membership costs just over 9 euros a month.

### 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 entitled to basic unemployment allowance paid by the Social Insurance Institution of Finland (Kela).

Even the minimum earnings-related unemployment allowance paid by the Entrepreneur Fund is 195 euros more per month than the basic allowance 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 based on the insurance level you select.

In 2024, the minimum membership fee is 9.10 euros per month, or about 109 euros in a 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 is always risky, and it's a good idea to secure your future in advance.
  2. As a member of the Entrepreneur Fund, you ensure that closing down your business does not lead to financial ruin.
  3. In Finland, only entrepreneurs who are members of the Entrepreneur Fund are eligible for earnings-related unemployment allowance.
  4. At its lowest, the tax-deductible membership fee of the Entrepreneur Fund is just 9.10 euros per month.
  5. Membership in the Entrepreneur Fund is already worth it at the minimum level (annual work income 14,803 euros). Even at the minimum level, the earnings-related unemployment allowance is around 195 euros more per month 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% 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. What is YEL income? 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 the 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 work income.

Confused by the terminology? → [yrittajakassa.fi/sanasto](https://yrittajakassa.fi/sanasto)

A man wearing a black cap and glasses is focused on working on the engine of a car in a garage. The background shows shelves with various tools and supplies.

# Who is an entrepreneur in terms of unemployment security?

In terms of unemployment security, the following are considered entrepreneurs: self-employed persons insured under YEL and MYEL and, under certain conditions, co-owners insured with TyEL insurance who work in the company and family members of an entrepreneur.

Are you an entrepreneur? → Take the test: [yrittajakassa.fi](https://yrittajakassa.fi)



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

Under the Unemployment Security Act, you are an entrepreneur if you are required to take out YEL or MYEL insurance (excluding grant recipients). You are also an entrepreneur if you are gainfully employed without being in an employment or public service relationship (such as freelancers and light entrepreneurs).

You are also considered an entrepreneur in terms of unemployment security if you are a co-owner covered by TyEL insurance or a family member of an entrepreneur and

- you have sole ownership of at least 15% or joint ownership with a family member of at least 30% of a company in which you hold a managerial position (managing director, board member), or

- you own, alone or together with family members, at least 50% of a company in which you work in a non-managerial position (employee). In order to be eligible for Entrepreneur Fund membership, you must also have statutory pension insurance based on an annual work income of at least 14,803 euros.

'Family members' refer to spouses, cohabiting partners, children and parents living in the same household as you. You are considered to hold a managerial position if you are the company's managing director or board member.

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 you own at least 50% of the intermediary company alone or together with your family.



### Are you in the right unemployment fund?

If you are a full-time entrepreneur insured under YEL, you should join the Entrepreneur Fund. If you are an employee and your business is part-time, you should arrange your unemployment insurance through a wage-earners' fund. Check which fund you can join to insure yourself at [yrittajakassa.fi](http://yrittajakassa.fi).

### Did you know?

- Co-owners working in a family-owned company are also often considered entrepreneurs in terms of unemployment security.

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

- Increase your pension level and join the Entrepreneur Fund.



### Questions?

Call (09) 622 4830 or email us at [neuvonta@yrittajakassa.fi](mailto:neuvonta@yrittajakassa.fi)

# Plan ahead

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

## Joining the Entrepreneur Fund

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.

Fill in the registration form at [yrittajakassa.fi](http://yrittajakassa.fi). Your membership will take effect from the day your application arrives at the Fund. You cannot join the Fund retroactively.

If you are unsure 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.

## Influence 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 euros as your insurance level with the Entrepreneur Fund. We recommend taking out insurance immediately for an

amount equal to your YEL, MYEL or TyEL income. Remember to 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. Co-owner or family member covered by TyEL insurance

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.



Did you become entrepreneur? 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.

# Starting a business



## Becoming a full-time entrepreneur

Have you started work 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.

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

If you transfer from wage-earners' unemployment fund to the Entrepreneur Fund, you may be entitled to an wage-earners' post-protection allowance when your business activities ends. To be eligible for the post-protection allowance, the 12 month employment condition

you accumulated as an employee must be found fully within 28 months from the end of your business activities. 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 unemployment 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 as this will minimise the interruption in your unemployment security. Your right to an unemployment allowance based on earned income remains valid for a maximum of 18 months from starting your business, while your right to an unemployment allowance based on entrepreneurial income begins after you have worked as an entrepreneur for at least 15 months while being a member of the Entrepreneur Fund.



**Business activities are generally considered to have started when**

1. the company or self-employed person has started up actual production or economic activities, or
2. the company or self-employed person is entered in the VAT Register and Prepayment Register maintained by the Tax Administration, or
3. the company is entered in the Employer Register maintained by the Tax Administration.

# What does membership cost?

The Entrepreneur Fund's membership fee is determined according to the insurance level selected by the member. In 2024, the minimum membership fee is less than 9.10 euros per month.

The Entrepreneur Fund's membership fee is 2.1% 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 your annual work income (YEL, MYEL, TyEL) on which your pension insurance is based.

For example, if your YEL income is 20 000 euros per year, you can choose any amount between 14,803 and 20,000 euros as your insurance level with the Entrepreneur Fund.

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. If your YEL work income falls below the minimum for unemployment



**TAX-DEDUCTIBLE  
MEMBERSHIP FEE FROM JUST  
€9.10/MONTH**

security, you can apply for a reduced membership fee (€4/month) from the fund.

## 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 per day in 2024. The earnings-related part is 45% of the difference between your daily wages and the basic part. If your monthly income exceeds 3,534.95 euros, the earnings-related part is 20% for the part of your income exceeding this level. Examples of work income, membership fees and daily allowances are shown in the adjacent table. A legislative amendment on the staggering of earnings-related unemployment allowances will enter into force on 2 September 2024. Following the change, the unemployment allowance will first decrease by 20% after 40 days and finally by 25% from the original level after 170 days.

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

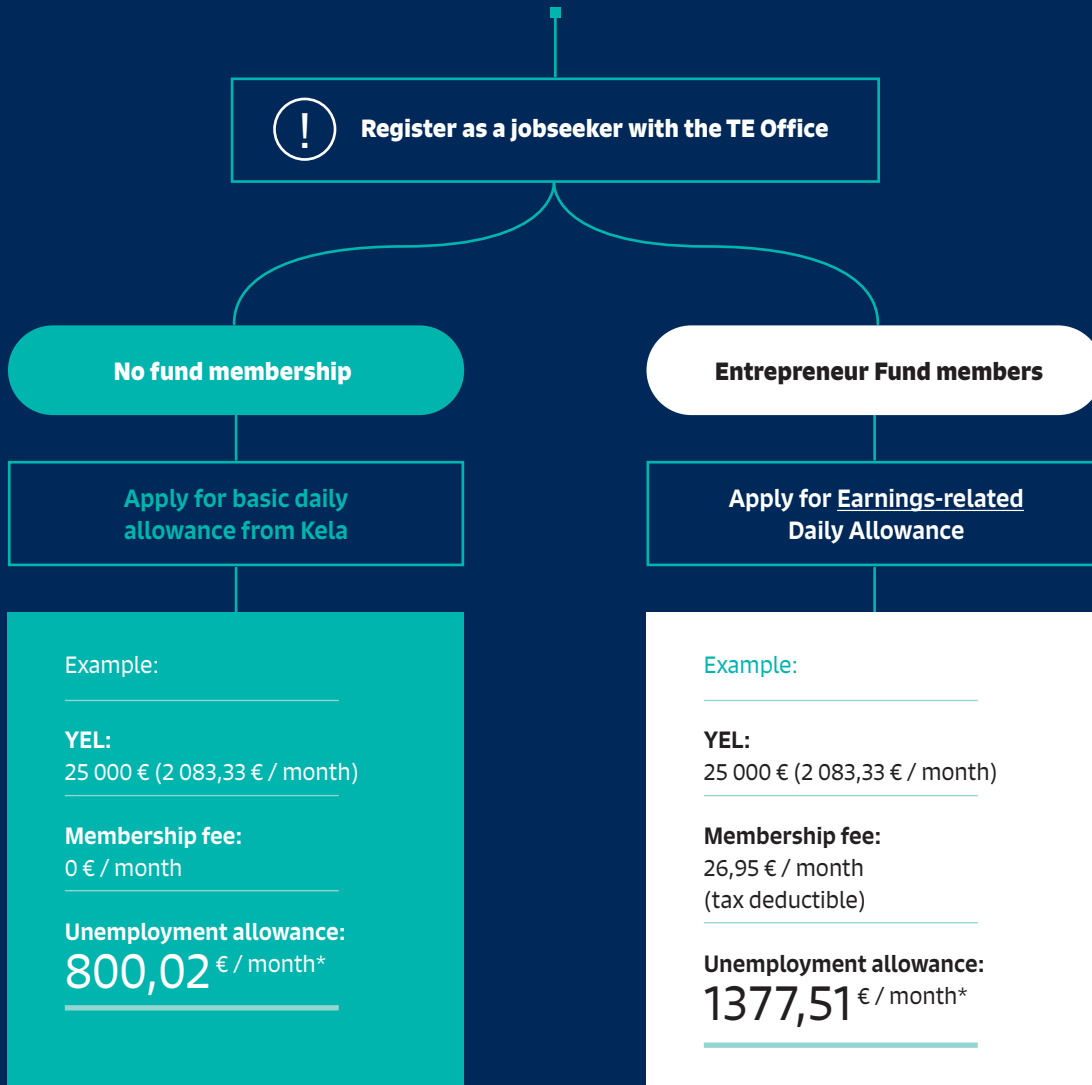
WORK INCOME €/year	MEMBERSHIP FEE €/month	MEMBERSHIP FEE €/year	DAILY ALLOWANCE €/day	DAILY ALLOWANCE €/month	DAILY ALLOWANCE VS. KEL'S BASIC ALLOWANCE €/month
14 803	9,10	109,26	46,28	995,02	195,00
17 000	12,95	155,40	50,11	1077,51	277,49
20 000	18,20	218,40	55,35	1190,00	389,98
25 000	26,95	323,40	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



In 2024, the minimum work income that counts towards an entrepreneur's work requirement is 14 803 euros/year.



# If you close down your business and become unemployed



\*Max 400 days.

\*Max 400 days.

# When is an entrepreneur entitled to unemployment allowance?

Can an entrepreneur be unemployed? The answer is simple: yes. As an entrepreneur, you are entitled to unemployment allowance when you meet the work requirement for an entrepreneur and have demonstrably closed down your business activities.

## 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 you have agreed to dissolve the company together with other partners in a general or limited partnership.

As a rule, you are also considered to be out of business when your production and economic activities have ended and you have terminated your pension insurance. In addition, you must notify the Tax Administration of the closure of business and file notifications to remove your company from the prepayment, employer and VAT registers. You do not need to remove your company from the Trade Register. As an entrepreneur, you cannot lay yourself off due to a decrease in work.

However, we will pay you unemployment allowance without requiring you to close down the business if you have stopped working for the company. Your employment can be considered to be ended if

- 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, self-employed person or light entrepreneur can be considered to be out of business when the following conditions are met:

1. Your production and economic activities have ceased according to your reliable declaration, or it is otherwise clear that you will no longer continue your business activities.
2. You have terminated your YEL or MYEL insurance.

**//** As an entrepreneur, you are entitled to unemployment allowance when you meet the work requirement for an entrepreneur and have demonstrably closed down your business activities.



### If you close down your business and become unemployed:

- 1 Register as an unemployed jobseeker with the TE Office. The TE Office will investigate the closure of your business activities or employment and issue a statement to the Fund.
- 2 Fill in the unemployment allowance application retroactively in the Entrepreneur Fund's eService no earlier than two weeks and preferably four weeks after the start of unemployment.
- 3 Enclose information about your pension insurance and the sales profit declaration form and its appendices with your application. The Fund will ask you for further information if necessary.
- 4 Once you have received the decision, apply for the unemployment allowance in periods of at least one month or four weeks. You also need to remain an active jobseeker with the TE Office.

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### Conditions for receiving unemployment allowance

- To receive unemployment allowance, you must register as an unemployed jobseeker with the TE Office. The TE Office will investigate the closure of your business activities or employment.
- The payment of unemployment allowance requires both a positive statement from the TE Office and the fulfilment of the work requirement (see next paragraph).
- If you are a new entrepreneur, you may be entitled to an unemployment allowance based on post-protection (see page 7).
- The periodisation of sales profits may postpone the start date of the payment of your unemployment allowance.
- You can receive earnings-related unemployment allowance until you turn 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 14,803 euros per year in pension insurance for the same period.

Please note that sickness, pregnancy or special pregnancy allowance do not accrue the entrepreneur's work requirement. If the entrepreneur has not met the entrepreneur's work requirement and has been in business for less than 18 months when becoming unemployed, the Fund will determine whether the entrepreneur's right to a wage-based unemployment allowance ('post-protection') is still valid.

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

We calculate your earnings-related unemployment allowance from the level of pension insurance or the average of the levels at which you have insured yourself in the last 15 months before going out of business. You need to have accrued 15 months towards the work requirement over the last 48 months. Your earnings-related unemployment allowance is taxable income.

When determining the amount of earnings-related unemployment allowance, we compare the insurance levels of the fund and the pension company for the same period. We determine the amount of your allowance according to the lowest insurance level. If

the work income of your pension insurance and/or income reported to the Entrepreneur's Fund has varied, we will pay the daily allowance based on the monthly average of work income in the 15 months preceding your unemployment. Your unemployment allowance cannot exceed 90% of the work income used as the basis for calculating the allowance. The waiting period for earnings-related unemployment allowance is seven working days. Your spouse's income does not affect your earnings-related unemployment allowance.

According to the Unemployment Security Act, we can take an increase of up to 20% in your work income into account in the amount of allowance. This means that if you increase your insurance level with the Fund by more than 20%, the increased level must be maintained for at least 15 months before the portion exceeding 20% is used as the basis for your earnings-related allowance.

A legislative amendment on the staggering of earnings-related unemployment allowances will enter into force on 2 September 2024. Following the change, the unemployment allowance will first decrease by 20% after 40 days and finally by 25% from the original level after 170 days.

### **Duration of earnings-related unemployment allowance**

We pay earnings-related daily allowance for five working days a week, normally for a maximum of 400 days of unemployment. If you have a work history of less than 3 years, the maximum duration of the unemployment allowance is 300 days. If you have met the employment condition after reaching the age of 58 and have worked at least five years in the last 20 years, you can be paid an earnings-related unemployment allowance for a maximum of 500 days.

### **Periodisation of sales profit**

You are not entitled to earnings-related unemployment allowance for the period over which profits from the sale of

business assets related to the closure of your business activities are periodised. Sales profits from your company's fixed assets or other long-term investments are also considered to be related to the closure of the business if the profits 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. Sales profits may also arise from unsold business assets or those taken into your own use

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

Sales profits are periodised the basis of the work income used to calculate the earnings-related allowance. Profits from the sale of business assets are periodised over a maximum period of 24 months.

The periodisation postpones the start date of the maximum period of earnings-related unemployment allowance.

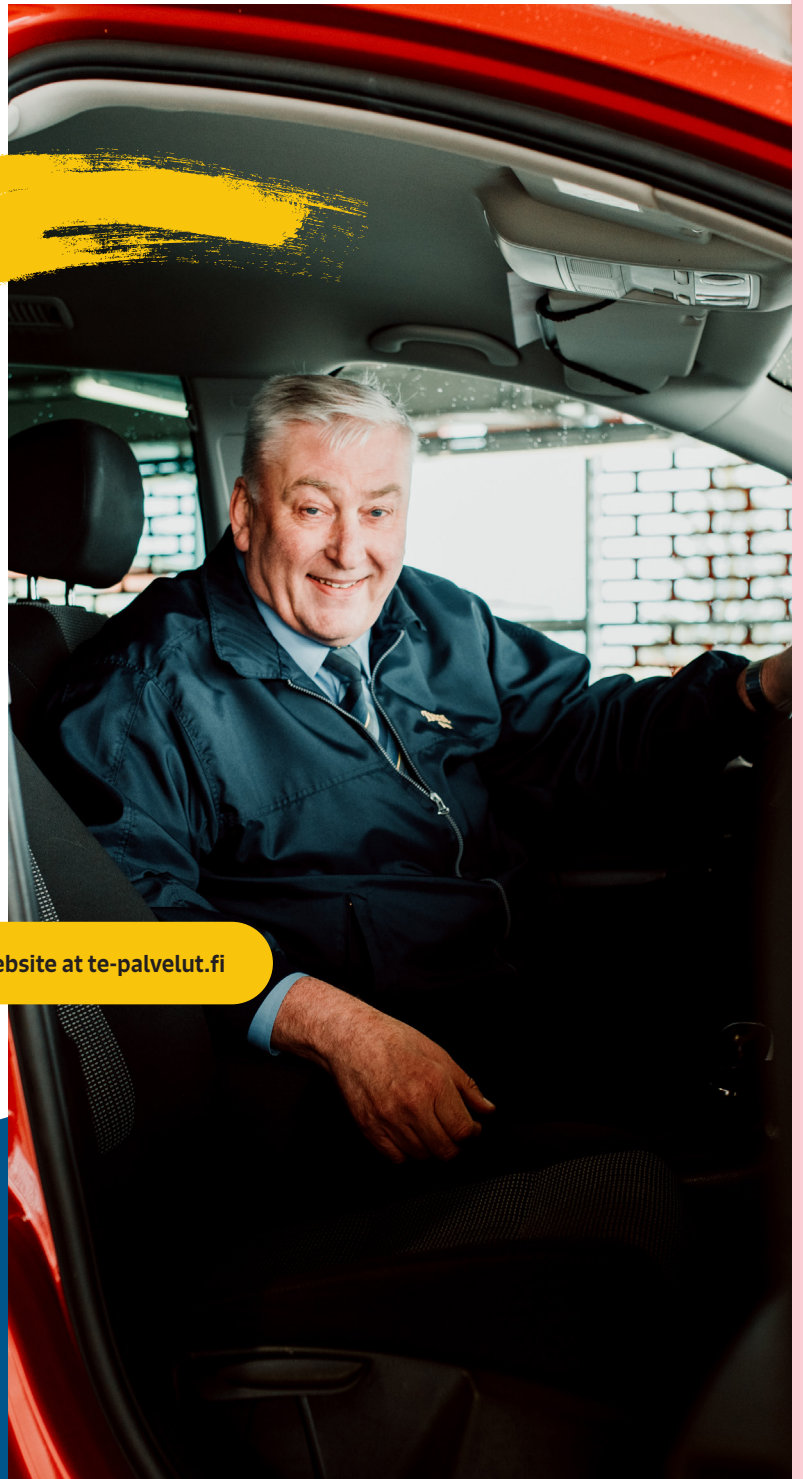
### **Part-time business activities while unemployed**

If you work part-time or are engaged in part-time business activities while unemployed, you may be entitled to an adjusted unemployment allowance. You can receive an adjusted earnings-related unemployment allowance if you are a member of the Fund, meet the work requirement and are obligated to insure yourself. In addition, you must be registered as an unemployed jobseeker and be able to work and available to the labour market.

Further information is available from the TE Office at [tyomarkkinatori.fi](http://tyomarkkinatori.fi)

// If you are engaged in part-time business activities while unemployed, you may be entitled to an adjusted unemployment allowance.

For more information, visit the TE Office website at [te-palvelut.fi](https://te-palvelut.fi)





Our tax deductible membership fee starts from €9.10/month. With this sum, you could get:



A box of popcorn  
at the movies



One soup lunch

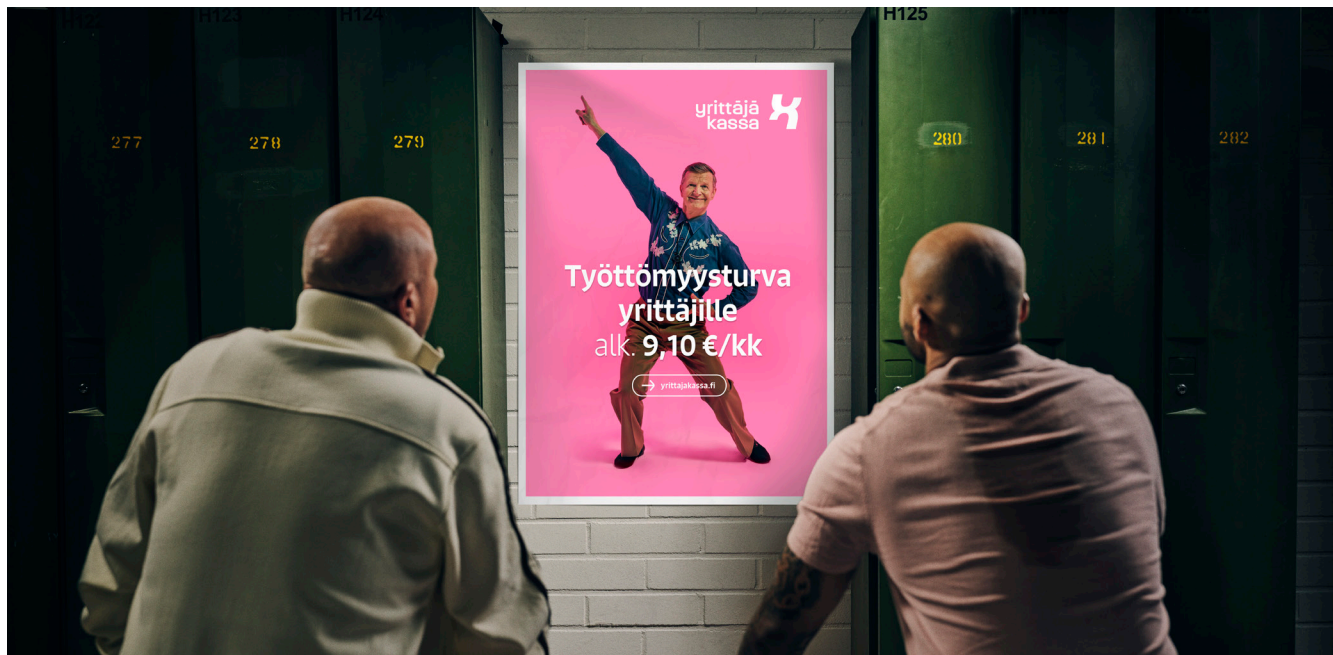


Two cappuccinos



Earnings-related  
unemployment security

# Did you know that as an entrepreneur, you are entitled to earnings-related unemployment allowance?



## Why join the Entrepreneur Fund?

As a member of the Entrepreneur Fund, you are eligible for earnings-related unemployment security. Even at the minimum level, the earnings-related unemployment allowance is around 195 euros more per month than the unemployment benefit paid by Kela.

## What do I need to join?

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

## When is an entrepreneur entitled to earnings-related allowance?

To receive the allowance, you must have been an entrepreneur and a member of the Entrepreneur Fund for at least 15 months. In addition, your business activities must have ceased or your employment in the company must have ended.

Plan ahead and join the Fund → [yrittajakassa.fi](https://yrittajakassa.fi)

i Experts of the Entrepreneur Fund are at your service in matters related to entrepreneurs' unemployment security.

Phone: 09 622 4830

Monday thru Thursday 9–12 AM, Tuesday 1–3 PM

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e-mail: [neuvonta@yrittajakassa.fi](mailto:neuvonta@yrittajakassa.fi)

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entrepreneur  
fund