



**UNEMPLOYMENT SECURITY FOR
ENTREPRENEURS, SHAREHOLDERS,
LIGHT ENTREPRENEURS AND
ENTREPRENEUR FAMILY MEMBERS**

SYT Unemployment Fund
www.syt.fi
2019

SYT

What happens if you go out of business?

Unemployment may seem like a remote or even impossible alternative for many entrepreneurs. But it is still worth being prepared.

Earnings-related unemployment allowance is not an exclusive right of salary-earners. In Finland, entrepreneurs can also become members of an unemployment fund, which pays earnings-related unemployment allowance to their unemployed members. Persons considered entrepreneurs in terms of unemployment security can receive an unemployment benefit from an unemployment fund for salary-earners during a so-called requalification period only, i.e. in case they discontinue their entrepreneurial activities soon after start-up.

As most entrepreneurs are not foreseers, joining SYT is easy and affordable risk management. For salary-earners, trade union or unemployment fund membership is really part of everyday life. The same should apply to entrepreneurs as well.

Unemployed entrepreneurs who are not members of an unemployment fund may receive basic unemployment allowance or labour market subsidy from Kela. In 2019, the basic unemployment allowance amounts to € 32,40, i.e. about € 696,60 per month.

The earnings-related unemployment allowance paid to entrepreneurs comprises basic unemployment allowance plus an earnings-related component and child increase, if applicable. The earnings-related component is based on work income or insurance level prior to unemployment.

You can use the calculator on our website www.syt.fi to calculate your earnings-related allowance.

At minimum income level (€ 12,816 p.a.) the earnings-related allowance paid by SYT is € 167,05 higher per month compared to the unemployment benefit paid by Kela.

SYT's membership fee at minimum income level is € 12,28 per month. The membership fee is tax-deductible in your personal taxation.

Earnings-related allowance is paid for 300, 400 or 500 days. Contrary to salary-earners, entrepreneurs are not entitled to any extra days. Earnings-related allowance can be paid until the age of 65 years.

Unemployment security for entrepreneurs since 1995

SYT Unemployment Fund was founded in 1995, when current legislation was amended to enable the founding of unemployment funds for entrepreneurs.

SYT is an organisation operating according to the principle of mutual responsibility. SYT was founded for the purpose of offering its members income security and related expense compensation as provided for in the Unemployment Security Act, as well as to provide other statutory benefits falling under the fund's scope of activities in accordance with current legislation.

The fund is administered by its members. Final decision-making power is exercised by the fund's General Meeting, which is open to all members to attend. 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 the fund's General Meeting.

SYT is intended to serve entrepreneurs, light entrepreneurs, agricultural entrepreneurs, entrepreneur spouses, partial business owners and practitioners regardless of industry or company form. SYT currently has over 24,000 members. SYT is an ideologically independent unemployment fund for entrepreneurs. SYT is subject to supervision by the Financial Supervisory Board.

It is certainly in the interest of all entrepreneurs to be members of SYT, which is the largest unemployment fund for entrepreneurs in Finland. Entrepreneurs may lose part of their company business due to no fault of their own, for example as a result of changes in the current market competition situation. Accidents, sickness or other major life changes may also seriously affect their current livelihood. Entrepreneurs may also choose to voluntarily wind up their business.

Earnings-related unemployment security for entrepreneurs is based on voluntary unemployment insurance. This will help giving entrepreneurs peace of mind and enough time to go through their future options after having decided to wind up their business.

In terms of unemployment security, it is important for entrepreneurs to understand whether they are considered entrepreneurs or salary-earners.

Entrepreneurship is a broad concept in terms of unemployment security, and even entrepreneur family members who have no share of ownership and who have no administrative position in the company will often be considered entrepreneurs in terms of unemployment security. Persons who are considered entrepreneurs in terms of unemployment security may remain members of an unemployment fund for salary-earners for a maximum period of 18 months after having started their full-time entrepreneurship.

Why should you join SYT?

- Entrepreneurship always involves risk-taking. Entrepreneurs, too, should always take out personal unemployment insurance.
- Unemployment insurance offered by an unemployment fund is affordable and simple risk management.
- Persons, who have been working as salary-earners and become entrepreneurs may have a right to uninterrupted unemployment security, if they transfer from their unemployment fund for salary-earners to SYT within three months from the date they started up their entrepreneurial activities.
- SYT's membership fees start at € 12,28 per month.
- Membership fees are tax-deductible in your personal taxation.
- Membership with SYT is beneficial even at minimum income level (annual work income € 12,816). At minimum level, the monthly unemployment allowance is € 167,05 higher compared to an allowance paid by Kela, i.e. about € 863,65 per month.
- SYT enables its members to obtain earnings-related unemployment allowance inclusive of child increase.
- Fund members may be entitled to earnings-related allowance on account of 15 months membership and entrepreneurial work.
- As a SYT member, you can obtain earnings-related allowance based on your selected insurance level for a maximum of 400 days, as a rule.
- When unemployed, members pay a reduced membership fee, € 5 per month.
- For the duration of employment promoting services, an increased unemployment allowance can be paid for a maximum of 200 days. On top of the unemployment allowance, a non-taxable expense compensation amounting to 9 or 18 euro per workday can be paid.
- You are entitled to a commuting and relocation allowance amounting to about € 700, if you, when unemployed, accept a full-time position which involves over three hours of travel to and from work, or a part-time position which involves over two hours of travel to and from work. In the case of part-time work, such commuting and relocation allowance will be paid on account of actual workdays. You may be entitled to commuting and relocation allowance even before your actual employment has started, if you enrol in employment-related training, which continues at least two months.



What happens if you go out of business?

In business life, change processes are ongoing, economic conditions vary and today's business success stories may be obsolete tomorrow. Unemployment fund membership is one way of controlling entrepreneurial risks and securing a livelihood, should the risk of unemployment materialise.

Over 24,000 entrepreneurs have already secured themselves against unemployment. Join this group and become a member of SYT today: www.syt.fi/jaseneksi/liity-jaseneksi

At minimum income level, membership fees are less than € 13 per month in 2019.

Who are considered entrepreneurs in terms of unemployment security?

Can anyone become a member of SYT? No, not quite. Some conditions are provided for in the Unemployment Security Act:

As provided for in the Unemployment Security Act, the term entrepreneur refers to persons working for a company, where they personally or together with the family own, or the family owns a certain share as defined by law.

Persons carrying out paid work without employment contract or civil servant status are also considered entrepreneurs (e.g. freelancers and persons working via invoicing companies, i.e. light entrepreneurs).

You can become a SYT member if you are permanently resident in Finland and work as an entrepreneur, practitioner, light entrepreneur, company shareholder or a family member working for the entrepreneur's company, and you have a statutory pension insurance (YEL, MYEL, TyEL) based on an annual income of at least € 12,816.

You will not be considered an entrepreneur solely on account of the fact that you own a company or part of a company. If you are employed as a salary-earner and your entrepreneurial work is part-time, you will in most cases be best served by arranging your unemployment security via an unemployment fund for salary-earners.

Spouses (including common law spouses), children and parents living in the same household with an entrepreneur are considered family members.

Working in an administrative position refers to company CEO and board members, as well as to partners in equal ownership companies, whose share of ownership exceeds 15 per cent.

Based on the definition of the term entrepreneur, share of ownership may also include indirect ownership via another company. Such indirect ownership via another company is observed, if the person himself/herself, or he/she together with the family, owns at least 50 per cent of the intermediate company.

In terms of unemployment security, you would be considered an entrepreneur if

- you are obliged to take out YEL or MYEL insurance (grant receivers excluded)

TyEL insured partial company owners or entrepreneur spouses may also be considered entrepreneurs in case they are

- working in an **administrative position** (CEO, board member) in a company, where they personally own at least 15 per cent or where the family (or they together with the family) owns at least 30 per cent (or where they otherwise execute equivalent decision-making power).
- working (**without administrative position**) in a company, where they or their family (or they together with the family) own at least 50 per cent (or where they otherwise execute equivalent decision-making power).

Did you know that entrepreneur family members working for a family company and partial owners are often considered entrepreneurs in terms of unemployment security? Find out which is the correct fund for you to take out insurance.



Pension Insurance, minimum level € 12,816 p.a.

TyEL insured shareholders,
entrepreneur family members

YEL or MYEL insured
entrepreneurs

Employee

Ownership: 50 % alone or together with family

Administrative position (CEO or board member)
Ownership: 15 % alone, 30 % together with family

Entrepreneur or salary-earner?

Is your own or your family's share of ownership below SYT's limits for membership?

➔ You should contact an unemployment fund for salary-earners to buy your insurance. More information: www.tyj.fi

Is your YEL/MYEL payment level not high enough?

➔ First raise your pension level and then become a member of SYT.

Starting up entrepreneurial business

Entrepreneurial business activities would normally be considered having started, once

1. the company / self-employed person has started up actual production activities or economic activities, and
2. the company / self-employed person has been entered on the Value-added Tax Liability Register and the Prepayment Register maintained by the Tax Administration, or
3. the company has been entered on the Employer Register maintained by the Tax Administration.

Start-up entrepreneurs

When becoming a full-time entrepreneur, you should join SYT immediately at start-up. You will start accruing your employment condition immediately and you may be entitled to earnings-related unemployment security from SYT after 15 months, should you become unemployed. If you are a member of an unemployment fund for salary-earners, you may qualify for uninterrupted unemployment security.

From salary-earner to entrepreneur – you may be entitled to uninterrupted unemployment security

If you are a member of an unemployment fund for salary-earners and you transfer from this fund to SYT within three months from the date you started up your entrepreneurial activity, your unemployment security will continue without interruption. You must also join SYT within one month counting from the date you left your earlier unemployment fund.

As an entrepreneur, you should not remain a member of an unemployment fund for salary-earners, since this will not accrue any

entitlement to an unemployment allowance for entrepreneurs, and your entitlement to a salary-earner's unemployment allowance will come to an end once your entrepreneurial activity has continued for 18 months.

If you did not join right away, do it now, to make sure your interruption will be as short as possible. Your entitlement to unemployment allowance based on your salary income remains in force for a maximum period of 18 months counting from the date you started up your entrepreneurial business, and your entitlement to any unemployment allowance based on your earnings as an entrepreneur starts when you have been working as an entrepreneur and been a SYT member for at least 15 months.

Example

Our example entrepreneur started up his activity on January 1, 2019 and remained a member of his unemployment fund for salary-earners for 18 months, January 1, 2019, through June 30, 2020. His requalification security had been in force 18 months.

He leaves his unemployment fund for salary-earners on June 30, 2020 and becomes a member of SYT on July 1, 2020. He is left without income-related unemployment security 15 months, until he gains allowance entitlement with SYT on October 1, 2021, once he may have completed 15 months of membership and accrued his employment condition.

Membership for established entrepreneurs

Persons who have been working as entrepreneurs for some length of time are also welcome as members. Membership starts once the admission form (electronic or printed) arrives at SYT.

Fund members who have been insured for a minimum of 15 months and who, during this period of time, have met their employment condition, are entitled to an unemployment allowance.

How do I join SYT?

You can join SYT on the Internet at the address www.syt.fi or use the admission form included with this brochure.

If you would like SYT's expert personnel to contact you with regard to membership, please send a contacting request, e.g. per e.mail to neuvonta@syt.fi. Write down your name, your company name and your telephone number.

You can affect your level of earnings-related unemployment allowance

As a member of SYT, you get to select the level of your unemployment security: the minimum level is € 12,816 per year, the maximum equals the annual income, which your pension insurance is based on. You should base your insurance level on your YEL, MYE or TyEL pension insurance level right from the start.

If you raise your level at a later point of time over 20 per cent, the raise will take 15 months to gain full effect. It is not possible to take out unemployment insurance based on a higher income level than your YEL, MYEL or TyEL work income. Any income changes should be reported to the fund immediately.

How do I select my insurance level?

1. YEL or MYEL insured entrepreneurs

The annual work income, which your pension insurance is based on, is the upper limit for your insurance with SYT. For YEL and MYEL insured entrepreneurs, the calculative work income agreed with the insurance company is decisive. You can add up your YEL and MYEL work income and your TyEL salaries earned as an entrepreneur to determine your insurance level with SYT. Please note that dividends or private withdrawals do not affect your work income; the same applies to earnings confirmed in taxation.

2. TyEL insured partial owners or family members

Your annual TyEL salary sets the maximum level for your insurance with SYT. For TyEL insured persons, this refers to the sum of salaries actually paid subject to pension insurance. If you also have YEL or MYEL work income, you can add these up to determine your level.



What do I pay for membership and what do I get

Insurance premiums are set in proportion to risk. Should you become unemployed, a small annual investment will yield multiple return. You can deduct your insurance premiums in your personal taxation, which can cut off as much as 50 per cent. As all insurances, unemployment insurance is expensive to buy, but cheap in case damage should materialise.

SYT's membership fee is about 1,4–2,6 per cent of your unemployment insurance level.

SYT's membership fee is 2,1 per cent of the annual work income exceeding € 5,800, which the policy is based on.

The maximum level for your insurance with SYT equals the total of your annual work income, which your (YEL, MYEL, TyEL) insurances are based on. Accordingly, you can base your insurance on any amount in euro which exceeds € 12,816.

You should take out unemployment insurance to match your YEL, MYEL or TyEL income right from the start. Any increases exceeding 20 per cent made at a later date will take 15 months to gain full effect.

Unemployment allowances paid to entrepreneurs by SYT comprise basic unemployment allowance, earnings-related unemployment allowance plus possible child increase. In 2018, the basic unemployment allowance is 32,40 euros. The earnings-related unemployment allowance equals 45 per cent of the difference between your daily salary and the basic unemployment allowance. If your monthly income exceeds € 3,078, your earnings-related unemployment allowance equals 20 per cent for the part that that your income exceeds this level.

The table below shows examples of work income, membership fees and unemployment allowance levels. If your annual YEL work income is e.g. € 21,850, you can base your insurance with SYT on any amount between € 12,816 and € 21,850.



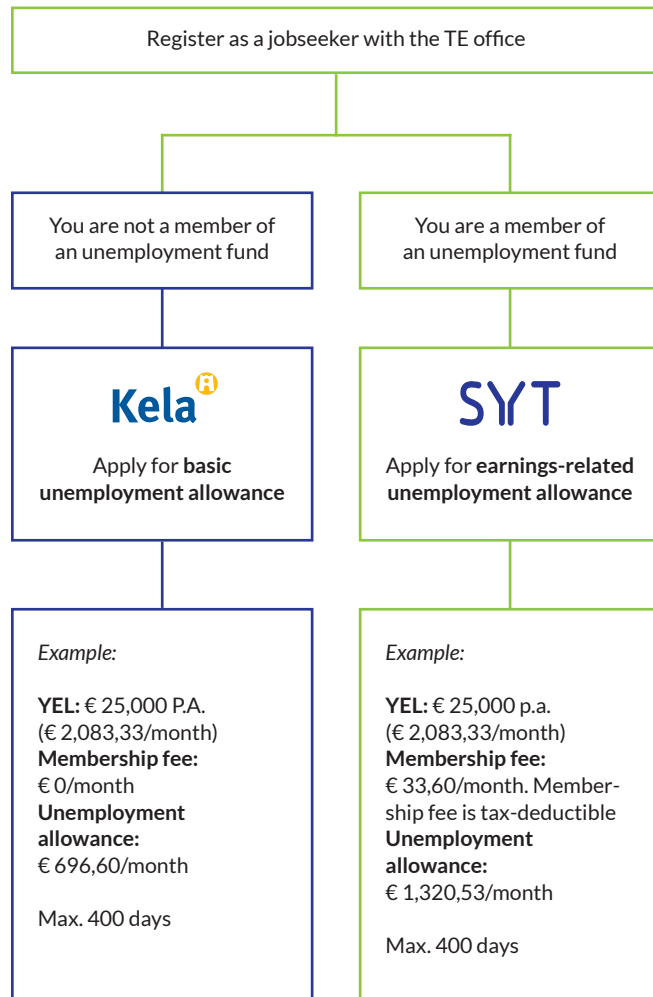
Examples of work income, membership fees and unemployment allowances as of January 1, 2018

| Work income € p.a. | Member- ship fee €/month | Member- ship fee € p.a. | Allowance €/workday | Allowance €/month | Earnings-related allowance vs. basic allowance, €/month |
|-----------------------|--------------------------------|-------------------------------|------------------------|----------------------|---|
| 12 816 | 12,28 | 147,34 | 40,17 | 863,65 | 167,05 |
| 15 000 | 16,1 | 193,2 | 43,98 | 945,57 | 248,97 |
| 18 000 | 21,35 | 256,2 | 49,22 | 1058,23 | 361,63 |
| 20 000 | 24,85 | 298,2 | 52,7 | 1133,05 | 436,45 |
| 25 000 | 33,6 | 403,2 | 61,42 | 1320,53 | 623,93 |
| 26 000 | 35,35 | 424,2 | 63,17 | 1358,16 | 661,56 |
| 30 000 | 42,35 | 508,2 | 70,15 | 1508,23 | 811,63 |
| 35 000 | 51,1 | 613,2 | 78,87 | 1695,71 | 999,11 |
| 40 000 | 59,85 | 718,2 | 84,62 | 1819,33 | 1122,73 |
| 45 000 | 68,6 | 823,2 | 88,49 | 1902,54 | 1205,94 |
| 50 000 | 77,35 | 928,2 | 92,37 | 1985,96 | 1289,36 |
| 60 000 | 94,85 | 1138,2 | 100,12 | 2152,58 | 1455,98 |
| 70 000 | 112,35 | 1 348,20 | 107,87 | 2319,21 | 1622,61 |
| 80 000 | 129,85 | 1 558,20 | 115,63 | 2486,05 | 1789,45 |
| 90 000 | 147,35 | 1 768,20 | 123,38 | 2652,67 | 1956,07 |

Persons receiving an unemployment allowance and support children under 18 years will be paid an allowance inclusive of child increase: € 5,23 for one child, a total of € 7,68 for two children and a total of € 9,90 for three or more children.

Stepmarks for unemployed entrepreneurs

IF YOU BECOME UNEMPLOYED:



When can entrepreneurs be entitled to an unemployment allowance?

Can entrepreneurs be unemployed? The simple answer is yes. Entrepreneurs are entitled to receive an unemployment allowance, if they have met their employment condition and have provenly terminated their business activities. Business activities are considered terminated if the company has been sold, bankruptcy or liquidation have been filed for, or – in case of other than limited liability companies – the partners have agreed to dissolve the company.

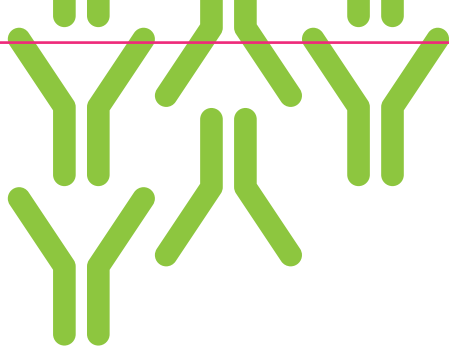
As a rule, business activities will also be considered terminated once production activities and economic activities have come to an end, and the entrepreneur has terminated his/hers pension insurance, filed a request with the Tax Administration to delete the company on the Prepayment Register and the Employer Register and further filed a request with the Tax Administration to either delete the company on the Value-added Tax Liability Register, or requested his/her entrepreneurial activities to be placed on hold. The company may remain on the Trade Register.

Even if business activities have not been terminated, an allowance can be paid in case an entrepreneur's work ability has been permanently and significantly reduced, in case the business is seasonal as a result of natural conditions or if an entrepreneur is considered comparable to a salary-earner, i.e. working for a small number of customers without a fixed location for purchase or sales or corresponding business location for carrying out business.

Entrepreneurs cannot lay off themselves as a result of lack of work, but family members may be laid off, provided that the company has also laid off at least one non-family employee.

Termination of entrepreneurial activity in the case of self-employed persons

1. on account of a jobseeker's notification to be deemed trustworthy, production activities and economic activities have been terminated, or it is otherwise obvious that such activities will no longer continue, and
2. the person concerned has terminated his/her pension insurance as provided for in the Self-employed Persons' Pension Act (YEL) or the Farmer's Pension Act (MYEL).



Entrepreneurs, who have become unemployed, must register as unemployed jobseekers with the Employment and Economic Development Office (TE Office). The local workforce authority will issue its statement to the fund with regard to unemployment. The fund cannot take a decision contrary to such statement.

Family member lay-offs

Entrepreneur family members may be entitled to an unemployment benefit on account of lay-off, provided that the family member's pension insurance is based on other than the Self-employed Person's Pension Act (YEWL) or the Farmer's Pension Act (MYEL), and the company has simultaneously laid off or dismissed other than family member employees.

Conditions for receiving an unemployment allowance:

- SYT pays earnings-related unemployment allowance based on a statement to be issued by the TE Office.
- In order to qualify for unemployment allowance, you must register as a jobseeker with the TE Office, where the termination of your business activities and your employment will be reviewed.
- You must have been a member of SYT and have worked as an entrepreneur at least 15 months and your pension insurance (YEL, MYEL or TyEL) must have been in force at least on a minimum level, € 12,816 p.a.
- You meet this condition, if you have accrued 15 months of entrepreneurial work and fund membership in the course of the most recent 48 months. This is what is referred to as an entrepreneur's employment condition. Please note! You do not meet your employment condition during time periods of e.g. sick allowance or maternal/paternal allowance. Sick allowances are paid by Kela or your insurance company.
- New entrepreneurs may be entitled to an unemployment allowance based on requalification security. Requalification security remains in force for a maximum of 18 months, counting from the start date of entrepreneurial activities.
- Periodisation of sales profits, if applicable, may postpone the starting date of your unemployment allowance.
- Earnings-related allowance can be paid until the receiver has turned 65 years.

If you become unemployed:

- Payment of an unemployment allowance requires a positive statement issued by the TE Office, as well as employment condition fulfilment.
- Earnings-related unemployment allowance is paid for five workdays per week, and, as a rule, for a maximum of 400 days. The self-risk period is five workdays.
- Unemployment allowance comprises basic unemployment allowance plus an earnings-related component amounting to 45 per cent of the difference between daily salary and the basic unemployment allowance. If your monthly income exceeds € 3,078, your earnings-related allowance equals 20 per cent for the part that your income exceeds this level. Allowances are taxable income.
- Unemployment allowance receivers supporting children under 18 years will be paid a child increase. Child increases amount to 5,23 euro for one child, 7,68 euro for two children and 9,90 euro for three or more children.
- An unemployment allowance inclusive of child increase cannot exceed 90 per cent of the work income which the allowance is based on.
- During unemployment, members pay a reduced membership fee, 5 euro per month.
- Unemployed persons may work part-time or full-time. Part-time work entitles to an adjusted unemployment allowance. A standard entitlement of € 300 is applicable. Work saves unemployment days.
- You are entitled to a commuting and relocation allowance, if you, as an unemployed jobseeker, accept a full-time position which involves over three hours travel to and from work, or a part-time position, which involves more than two hours of travel to and from work. For part-time work, a commuting and relocating allowance is paid for actual workdays.
- Entrepreneurs cannot access the so-called pension floodgate. Once unemployment allowance has been paid for a maximum period, no extra days can be paid until old-age pension.
- Allowances are taxable income.
- Your spouse's income does not affect your unemployment allowance.

Employment condition

For entrepreneurs, the employment condition is met once the person concerned has – in the course of his/her membership with SYT – been working as a full-time entrepreneur at least 15 months, and during this time, the annual work income which his/her statutory pension insurance is based on has been at least € 12,816. For entrepreneurs, who have not met this entrepreneurs' employment condition at the time of unemployment, and whose entrepreneurial activity has continued less than 18 months, the fund will review whether they are entitled to an unemployment allowance based on their previous salary work (requalification security) is still in force.

How is unemployment allowance calculated for entrepreneurs?

Earnings-related allowances are calculated based on your pension insurance level or an average of your pension insurance levels during the last 15 months prior to termination of your entrepreneurial activities in the course of the past 48 months.

The calculation formula for unemployment allowance is the same for entrepreneurs and salary-earners.

To determine your unemployment allowance, your insurance level with SYT and your insurance level with your insurance company are compared to cover the same period of time. Your allowance will be based on the lower level. The lowest pension insurance level, based on which an allowance can be set, is € 12,816 p.a. Should your pension insurance income level and/or the income level you have reported to SYT have varied, unemployment allowance based on a monthly average of your income levels during the past 15 months prior to unemployment will be paid.

As provided for in the Unemployment Security Act, a maximum increase of 20 per cent can be observed. If you decide to increase your insurance level over 20 per cent, you must maintain this increased level for at least 15 months to allow for any share exceeding 20 per cent to be observed when determining your earnings-related unemployment allowance level.

Unemployment allowance inclusive of child increase must not exceed 90 per cent of the work income, which this unemployment allowance is based on.

Activation model for unemployment benefits

In 2018, unemployment funds will start reviewing the activity of allowance applicants based on review periods of 65 days. Such activity reviews take place retroactively, which means that the first activity reviews will take place in the beginning of April.

The activation model means that unemployment allowance applicants must show that they have been active by working, participating in employment promoting services or by engaging in entrepreneurial work. In case applicants do not meet the requirements provided by law, their unemployment benefits will be reduced by 4,65 per cent.

Activity is being reviewed in periods of 65 days. This means that once unemployment allowance has been paid 65 days, the unemployment fund will review whether or not applicants have been active as provided by law. For applicants, who do not meet this requirement, unemployment benefits will be reduced by 4,65 per cent for the following 65 days. The reduction is made off the full unemployment allowance. Allowances are reduced only once, so the amount payable will either be restored to its full rate or continue at the reduced rate after 65 days. Even in the case of no activity, a reduced amount will not be reduced further – your allowance will remain as it is until you can meet the activity requirement for a later 65 days review period. 65 days equals about three months.

THE CALCULATION FORMULA FOR UNEMPLOYMENT ALLOWANCE IS THE SAME FOR ENTREPRENEURS AND SALARY-EARNERS.



You meet the activity requirement if you:

- in the course of the review period have worked a total of at least 18 hours, which is the extent of weekly work required for meeting the salary-earner's work condition,
- in the course of the review period, you have, by way of entrepreneurial work, earned a minimum total of 23 per cent of the required monthly income for meeting the employment condition for entrepreneurs ($\text{€ } 1,068 \times 0,23 = \text{€ } 245,64$),
- you have participated in employment promoting services for five days,
- you have participated five days in some other service or activity arranged by the labour authorities designed to improve your employment prospects,
- you have participated five days in some other activity at a workplace or elsewhere to support job search, for which you are paid an unemployment allowance.

You must meet the activity requirements by e.g. working or participating in employment promoting services, not as well as.

In some circumstances, you are not required to meet the activity requirements, and your unemployment benefit levels will not be reduced. You are not required to meet the activity requirements in case

- you have claimed an unemployment pension and are still waiting for a decision,
- you are working as an informal or family caregiver,
- you have been granted a social benefit on account of disability or injury, or
- you are paid an unemployment benefit on account of a temporary layoff or reduction in work hours for a duration of less than 65 days

Self-risk period and sales profit periodisation

A self-risk period of five (5) workdays always applies. Unemployed entrepreneurs are also required to complete a form to clarify their company's financial situation at the time of termination.

Time periods, over which sales profits from sold company assets are periodised when business activities are terminated, do not qualify for earnings-related unemployment allowance. Sales profits obtained when a company's fixed assets or other long-term investments have been sold are considered being associated with the termination of the business activities, even in cases where such profits have been obtained within six months prior to termination.

Sales profits may be generated e.g. as a result of shareholding, partial ownership, business operations or company assets having been sold. Please also observe that "sales profit" may be generated on account of the fact that company assets have not been sold or have been taken into private use.

However, sales profits will not be periodised in case the entrepreneurial activities have continued for 18 months at the most, or if the grand total in the balance sheet of the company's last fiscal year minus

company debts does not exceed € 20,000. If no balance sheet is available, a list of assets will be used.

Sales profits are periodised according to the work income, which the unemployment allowance is based on. Company assets are periodised over a maximum period of 24 months.

Periodisation postpones the starting date of the maximum period for unemployment allowance.

Earnings-related allowance duration

Earnings-related unemployment allowance is paid for five days per week, and, as a rule, over a maximum period of 400 days of unemployment. Since earnings-related allowance is paid for 5 days per week, 400 days will be completed in about 18 months, at the earliest.

If an unemployed person has a work history of less than 3 years, the maximum period for unemployment allowance is 300 days. Persons, who have met their employment condition after their 58th birthday, and who have been working at least five years in the course of the last 20 years, can be paid unemployment allowance for 500 days.

Contrary to salary-earners, entrepreneurs are not entitled to any extra days. After completion of the maximum number or days, persons who have been working as entrepreneurs may apply for labour market subsidy at Kela. Earnings-related allowance can be paid until the age of 65 years.

Earnings-related allowance during the first months as an entrepreneur

From the beginning of 2018, in cases where an unemployed person starts up entrepreneurial activities, the question whether these activities are full-time or part-time will not be evaluated during the first four months. Accordingly, unemployed jobseekers may be granted earnings-related allowance at least 4 months after having started their entrepreneurial activities. The TE Office must immediately be notified of start-up.

Income from entrepreneurial work reduces the amount of earnings-related allowance according to the rules for adjustment. If the entrepreneurial activity is considered part-time after 4 months, an earnings-related allowance can continue. Persons considered fulltime entrepreneurs will lose their entitlement to earnings-related allowance.

This new option to receive four months of allowance concerns persons, who start up entrepreneurial activities while unemployed, and the business starting date is January 1, 2018, or later.

Part-time entrepreneurial activity

Persons carrying out part-time entrepreneurial activity may be entitled to an adjusted unemployment benefit, the amount of which is subject to any income received from entrepreneurial work.

As an entrepreneur, you can prove that your entrepreneurial activity or your own work is not an obstacle for accepting full-time employ-

ment by being involved in entrepreneurial work, or full-time work not related to your own work at least six months, provided that the extent of your entrepreneurial activities remains unchanged.

Entrepreneurial activity may also be considered part-time on account of other clarification, which shows that extent of the activity is minor. Fund members, who have met their employment condition and their insurance condition may be paid an adjusted allowance. Applicants must also be unemployed jobseekers, able-bodied and available on the labour market. Please contact your TE Office for more information: www.te-palvelut.fi.

Commuting and relocation support

Unemployment funds also pay a benefit referred to as commuting and relocation support. The purpose of this commuting and relocation support is to encourage unemployed jobseekers to accept employment at a longer distance, i.e. compensate costs incurred for commuting and removals. The commuting and relocation support equals the basic unemployment allowance (€ 32,40 in 2019) and is paid for five days per week. For part-time work, commuting and relocation allowance is paid per actual work days.

In 2019, child increase for supported children under 18 years can be paid on top of the commuting and relocation support as follows: € 5,23 for one child, € 7,68 for two children and € 9,90 for three or more children per days.

In case your employment location, or the location where your employment-related training is arranged, is more than 200 kilometres from your home or your home before removal, you are entitled to increased commuting and relocation support. In 2018, the increase is 4,74 euros per day.

Exclusive of increases, the commuting and relocation support for full-time employment amounts to about 700 euros.

Commuting and relocation support must be applied for within 3 months from the starting date of employment or employment-related training.

Duration

Commuting and relocation support is paid according to duration of employment as follows:

| Duration of work, minimum | Duration of allowance |
|---------------------------|-----------------------|
| 2 months | 1 month |
| 3 months | 1,5 months |
| 4 months | 2 months |

The maximum duration of the commuting and relocation support will not be extended, even if support would be paid for less than five days per week.



Conditions

In order to qualify for commuting and relocation support

- your commuting distance, two-way, to the location of employment or training, when initiated (or when you move your home because of employment, at conclusion of employment contract) must be more than 3 hours per day for full-time employment and more than 2 hours per day for part-time employment
- you must be entitled to an unemployment benefit right before you start your employment or training
- the duration of your work must be at least two months

Unemployment allowance during employment promoting services = increased allowance

The TE Office may direct jobseekers to participate in employment promoting services, for the duration of which unemployment allowance will be paid. Persons receiving an unemployment allowance may be entitled to an increased earnings-related component while participating in such services. An increased unemployment benefit may be paid providing that the service in question has been agreed on in the employment plan or other substitutive plan.

The increased earnings-related component amounts to 55 per cent of the difference between daily salary and basic unemployment allowance. If the annual income exceeds a turning point (2019: € 36,936), the component equals 25 per cent of the exceeding share.

When an increased earnings-related component is paid, the earnings-related unemployment allowance inclusive of child increase may not exceed the salary, which the unemployment allowance is based on. Even then the earnings-related unemployment allowance must at least equal the basic unemployment allowance plus child increase.

An increased earnings-related component can be paid for a maximum of 200 days.

For the duration of employment promoting services, unemployment benefits will be paid regardless of a self-risk period. The self-risk period also runs during employment promoting services, i.e. benefits will be paid regardless of a self-risk period.

An allowance may also be paid to entrepreneurs whose employment is at risk, even if their business operations have not been discontinued. In such cases the benefit equals the basic unemployment allowance.

For the duration of most employment promoting services, a non-taxable compensation can be paid on top of unemployment benefits. This expense compensation amounts to 9 or 18 euros per workday.

Unemployment allowance paid during employment promoting services decrease the maximum unemployment benefits period.

Examples of employment promoting services:

- Job search coaching
- Career counselling
- Try-outs: study coaching and job coaching
- Labour market coaching
- Self-motivated studies financed through unemployment benefits
- Self-motivated studies as provided for in Sections 22 to 24 of the Act on the Promotion of Immigrant Integration
- Rehabilitative work activity

Please contact your local TE Office for more information:
www.te-palvelut.fi





FILL OUT THIS FORM AND JOIN SYT

Welcome to an unemployment fund with full service.

Fold here and staple!

Port Payé
Finlande
116435
Posti Oy

PRIORITY

Posti Green

Suomen Yrittäjien Työttömyyskassa

Tunnus 5002944

00003 Vastauslähetys

SYT

I WISH TO JOIN SYT UNEMPLOYMENT FUND

Name: _____
ID number: _____
Street address: _____
Postal code and town or city: _____
Telephone: _____
E-mail: _____

Name of company:

I have been an entrepreneur since (state year, entrepreneurs who have recently started their operations, state date): _____

Company form:

- Firm Self-employed Limited company
 Limited partnership Unlimited partnership Co-operative
 Light entrepreneur

I work for the company:

- Not in a management position Managing director or deputy
 Managing director Board member or deputy member
 General partner of a limited partnership
 Silent partner in a limited
 Partner in an unlimited partnership partnership

Member of a co-operative, holding and voting right:

- No holding Own holding % _____

Total holding of other family members %: _____

Voting right, if not the same as holding: _____

Own voting right % _____

Total voting right of family members % _____

Additional information: _____

My pension insurance:

- YEL TyEL MYEL

Pension insurance company: _____

My pension insurance is based on an annual income of (€): _____

Insurance level and membership fee

I wish to have the following insurance level with SYT (€/year, minimum 12,816 euros, maximum the annual income the pension insurance is based on): _____

I wish to pay the membership fee in:

- one instalment four instalments twelve instalments

Fill in only if you move to SYT from another unemployment fund

- I move from another unemployment fund

Name of the fund and resignation date: _____

Time immediately preceding entrepreneurship:

- Unemployed
 Employed and member of a wage-earners' fund for at least 6 months
 Other situation, what: _____

I have taken out YEL insurance from (date): _____

- I authorise SYT to inform the above mentioned fund of my resignation.

A person cannot be member of two unemployment funds at the same time!

Membership begins on the day we receive your application. If you want the membership to begin at a later date, please indicate the desired date, you cannot become a member retroactively: _____

I hereby certify that the information I have given is true and correct.

Date and signature: _____

Thank you for joining SYT!

SYT Unemployment Fund
POB 86, Mannerheimintie 76 A, 00251 Helsinki
Tel. +358 9 622 4830, fax +358 9 622 4840

At its lowest, our membership fee is less than € 13 per month.

With 13 euro you can buy:



Popcorn and a coke at the cinema



Lunch & beverage



Three specialty coffees

...or earnings-related unemployment security.

SYT provides security for entrepreneurs

Are you a sole trader, light entrepreneur, self-employed, shopkeeper, franchisee, self-practitioner, shareholder, entrepreneur's spouse or do you run a small business? SYT Unemployment Fund was established to look after your security.

Unemployment security is not an exclusive right of salary earners. In Finland, entrepreneurs can also join an unemployment fund, which pays earnings-related unemployment allowance to its members, should they become unemployed.

SYT Unemployment Fund is an independent unemployment fund founded by Finnish entrepreneurs in 1995. Over 24,000 entrepreneurs have already decided to rely on security offered by SYT. SYT is, in fact, the largest unemployment fund for entrepreneurs in Finland.

SYT has members from a variety of professions and branches of industry. SYT provides security for your business regardless of whether you work as construction entrepreneur or service provider, light entrepreneur, shopkeeper, hairdresser, accountant, solicitor or consultant.

The fund's objective is to provide quality of life and security for entrepreneurs by offering voluntary unemployment insurance. SYT provides earnings-related unemployment allowance to its members.

The fund's general conditions and levels of unemployment security have been defined in the Act on Unemployment Funds and in the Unemployment Security Act.

SYT's operations are subject to oversight by the Financial Supervisory Authority.

SYT's expert personnel are at your service to give advice in matters relating to unemployment security for entrepreneurs and their families.

Telephone (09) 622 4830:
Mondays-Thursdays 9 to 12 AM
and Tuesdays 9 to 12 AM and
1 to 3 PM

**Office Mondays-Thursdays
9 AM to 3 PM:**
15 Mannerheimintie 76 A,
4th Floor, Helsinki

Internet:
neuvonta@syt.fi
www.syt.fi
www.facebook.com/syt.fi

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00251 Helsinki

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OVER 24,000 ENTREPRENEURS HAVE ALREADY JOINED SYT. YOU CAN JOIN, TOO: WWW.SYT.FI