

Light entrepreneurship – getting started

This guide is for you who are a self-employed user of an invoicing service company, and for you who are thinking about becoming one. Self-employed people pay for their pension insurance independently and carry responsibility for their tax affairs.

This guide refers to you as a “light” entrepreneur, meaning that

- ✓ you are self-employed, working but not on any employer’s regular payroll
- ✓ you are in business for yourself, although you have no Business ID or company
- ✓ after you have performed a task, an invoicing company sends out invoices on your behalf



Information for the self-employed

Business advice is available free of charge

- at the Enterprise Finland Telephone Service (suomi.fi/enterprise-finland-telephone-service)
- at local Finnish Enterprise Agencies (uusyrityskeskus.fi/en)

You may receive Kela-paid housing allowance or parental allowance. If so, you need to contact Kela to clear up how entrepreneurship would affect the allowance.

Remember to inform the TE Office that you are starting up an entrepreneurship if you are a jobseeker or unemployment-allowance recipient.

If you are not sure of whether you are an employee or self-employed, please contact the Occupational Safety and Health Administration (tyosuojelu.fi) or another source of information to find out.

Clear up whatever is unclear. Ask questions. We are here for you.

This guide was created in co-operation between the Tax Administration, the Regional State Administrative Agency, ELY Centre, the Finnish Centre for Pensions, Kela, the New Work Association, and the Enterprise Agencies.

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Did you know? The treatment of self-employed entrepreneurs may vary among Finnish government agencies. When the invoicing service pays you wages, you are taxed the same way as other recipients of wage income. However, the point of view of pension insurers is that you operate a business enterprise.

Why should you buy insurance?

The YEL pension insurance is designed for entrepreneurs. The law requires that even a small-scale entrepreneur should be insured. When your work is covered by the YEL, you keep earning pension for the future, and you receive a different financial assistance if you fall ill or become a parent.

It may be that your invoicing service company offers you third-party-liability and accident insurances. Contact the invoicing service to learn more about the insurance you have. This way, you can make up your mind on whether you need an additional insurance contract.

Further information:

tyoelake.fi/en/pensions-for-the-self-employed

Contact a pension insurer to find out whether you need a YEL insurance contract. The Finnish pension insurance companies are Elo, Ilmarinen, Varma and Veritas.

What kind of public financial support is available?

Kela, the Social Insurance Institution of Finland, can pay social benefits to you in the same way as employees are paid them if you are ill, become a parent, need housing assistance, etc.

Amounts of financial assistance are based on the amount of your work income, recorded by the pension insurance company. If you have no pension insurance in accordance with the YEL legislation, you may receive the minimum daily allowance. If you pay insurance contributions under the YEL pension scheme and you arrange for healthcare services related to your work, Kela pays part of the costs. You are also entitled to rehabilitation and to a rehabilitation allowance.

Note: the invoicing service is not your employer. This means that you need to deal with all contacts with Kela independently. The e-service called OmaKela is available.

Further information on Kela's assistance:

kela.fi/self-employed-persons

Kela's quick guide for the self-employed:

kela.fi/self-employed-persons-quick-guide

What are the key tax issues?

You must submit an application for a tax card for wages or for trade income. Contact the invoicing service to ask whether they pay you wages or trade income. If your pay is trade income, it may be that you must pay value-added taxes, VAT.

You can claim tax deductions because you pay expenses related to your work: tool costs, travel costs for travelling to your customer's premises, etc.

Further information:

vero.fi/lightentrepreneur

