It is important to check the payslip every time you receive it. You should go through the payroll especially carefully if you have worked overtime.

What should be checked on the payroll?

1. Basic salary

The basic salary is mentioned in your employment contract and its minimum amount is specified in the collective agreement.

The salary you will be paid consists of a basic salary and any salary compensations.

If you work on a commission payroll, be sure to check that your commission has been calculated correctly.

2. Any evening supplement, Sunday work compensation, additional work and overtime pay

Working time compensations, such as evening supplement, Sunday work compensation and overtime pay, are specified separately in the payroll. The amount of the supplements is specified in the Collective Agreement.

Sunday work compensation is paid for work done on a Sunday or other religious holiday. The Sunday work compensation is a 100 % increase in salary. If Sunday work is also considered additional work or overtime, increased salary in accordance with the collective agreement (§12: 4, 5) shall be paid.

Additional work refers to work performed at the employer's request and with the employee's consent between agreed regular working hours and the longest regular working hours permitted by law (8 hours a day and 40 hours a week). Overtime, on the other hand, is work that exceeds the maximum amount of regular working time (40 hours) provided for in the Working Hours Act. Please have a look at the Collective Agreement §12, 1 &2.

3. Taxes and mandatory fees

Check that your tax rate is the same as on your tax card. Also check that the mandatory earnings-related social insurance contributions have been deducted from your salary. The withholding tax is delivered according to the withholding tax rate marked on your tax card. If you have not submitted a tax card for payroll, 60 % tax will be withheld.

4. Other allowances, such as travel expences and daily allowances

It is also a good idea for business travelers in particular to check that travel and subsistence allowances, as well as any daily allowances, have been paid correctly.

The employer can reimburse the costs of the temporary business trip. Reimbursements are tax-free if they are based on either actual expenses or the Tax Administration's annual decision on daily allowances and mileage allowances.

An employer can pay a daily allowance for a business trip if the destination is more than 40 kilometers from either your apartment or your actual place of work. However, the site must be at least 15 km from both your permanent place of work and your apartment. The daily allowance is affected by the length and destination of the business trip. The daily allowance is compensation for higher than usual meal expenses.

Social insurance contributions

Health insurance contribution

Employers must pay health insurance contributions for 16 to 67 year old employees who are covered by the Finnish social insurance system in accordance with the Health Insurance Act.

In addition, the employee has to pay the insured party's health insurance contribution. That is called Daily allowance contribution and in year 2020 it is 1.18 % (for yearly income of more than €14,574).

Earnings-related pension insurance contribution (TyEL)

Employees must provide earnings-related pension insurance.

Employee's pension insurance contribution (worker's ages 17 to 52) is 7.15 %.

Employee's pension insurance contribution (worker's ages 53 to 62) is 8.65 %.

Employee's pension insurance contribution (worker's ages 63 to 67) is 7.15 %.

Unemployment insurance contribution

The employer must pay an unemployment insurance contribution for employees aged 17 to 64.

Employees must also pay unemployment insurance contributions. The obligation to provide insurance also applies to the company's co-owners.

Employee's unemployment insurance contribution in year 2020 is 1.25 % of wages.

Unemployment insurance contributions are used to finance costs such as adult education allowances, pension benefits and Kela benefits.

Please notice that **unemployment insurance contribution** is different than volunteer unemployment fund fee or union fee.

By paying volunteer **unemployment fund** fee (that is usually included in your **union fee**) you may be entitled to earnings-related unemployment benefit in case of unemployment. By mandatory unemployment insurance contribution you only may be entitled to Kela benefits which are significantly lower than earnings-related unemployment benefit.

Belonging to a union gives you more security. Trade unions usually offer legal services, courses to support employment, coaching events, advice and numerous other member benefits.