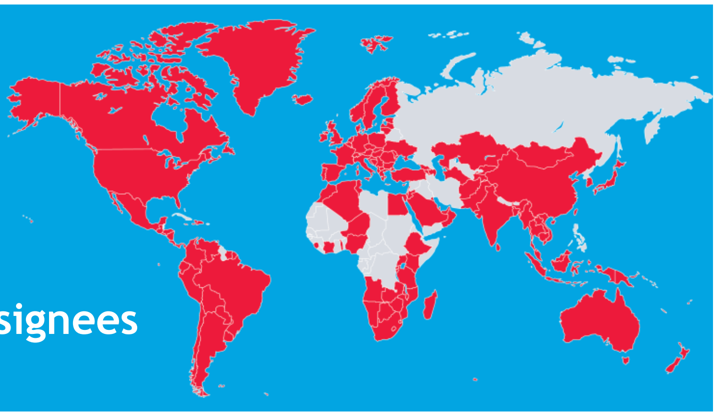
INPATRIATES
Finland
Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

Residents

An individual is regarded as a resident of Finland for tax purposes if he/she has his or her permanent home in Finland or if the individual stays in Finland for a continuous period of more than six months. Temporary absence does not prevent from regarding the stay continuous. Persons regarded as Finnish tax residents are liable to pay tax on their worldwide income.

Double taxation is, in general, eliminated. The income tax paid overseas will usually be credited. The foreign sourced income may be exempted from Finnish tax based on the applicable DTT.

Key Employees

Taxation of foreign key employees' earnings is governed by special provisions of law. Individuals arriving to Finland for periods longer than six months and thus becoming Finnish residents for tax purposes may, provided that certain strict conditions are met, be treated as foreign key employees taxed at a flat rate of 32 %.

Non-Residents

A non-resident individual is only taxed on their Finnish source income. The income is typically taxed at source at a final tax rate of 35 %. Nonresident individuals may also claim treatment of their earned income under the progressive scheme instead of being assessed at source.

A tax treaty between the home country and Finland may prohibit the taxation of individuals in certain cases.

BREAKING RESIDENCY - EXIT PROCEDURES

A foreign citizen will cease to be a Finnish tax resident immediately when he/she moves away from Finland on a permanent basis.

When moving from Finland the individual should file a change of address notice with the local register office within one week from the move.

If needed, the employee should file a request for cancellation of prepayment obligation to local Tax Office.

INCOME TAX RATES

State income tax Taxable income (EUR)	Tax at lower limit (EUR)	Tax rate for income exceeding the lower limit
0–19,900	0,00	12.64 %
19,900–29,700	2,515.36	19.00 %
29,700–49,000	4,377.36	30.25 %
49,000–85,800	10,215.61	34.00 %
85,800–	22,727.61	44.00 %

Other Taxes	Tax rate
Municipal tax rate	Flat tax rate4,36-10,86 %
Church tax rate	1 – 2.1 %
Capital gains tax	30 % on income up to EUR 30,000
	34 % on income exceeding EUR 30,000

SOCIAL SECURITY CONTRIBUTIONS

Pension contributions
•Employer 17.39 %
•Employee
- Employees between the ages of 17-52 years 7.15%
- Employees between the ages of 53-62 years 8.65%
- Employees who have turned 63 years 7.15%

Employer's health insurance contribution 1.53 %
Employee's health insurance contribution
• Contribution for medical care coverage 0.60 %
• Contribution for daily allowance coverage 1.36 % if person's earned income exceeds EUR 15.703/year

Accident insurance contribution
• The contribution is affected e.g., by payroll and risks at work. On average. 0.70 %
• Group life insurance collected in connection with accident insurance. On average 0.06 %

Unemployment insurance contribution
• Employer
    • For payroll of a maximum of 2,251,500 €/year 0.52 %
    • For part of payroll that exceeds 2,251,500 €/year 2.06 %
• Employee's contribution 1.50 %

For further information and to register for future updates contact expat@bdo.global