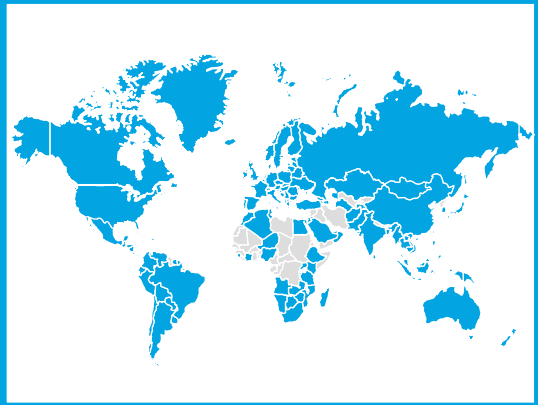


EXPATRIATES

Finland

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE

Finnish tax residents are liable to pay tax on their worldwide income. An individual is regarded a Finnish resident 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. The continuous stay is regarded as continuous despite temporary absences, e.g., weekends spent outside the country.

Earned income of a Finnish tax resident derived from overseas work may be exempt from Finnish tax based on Finland's applicable Double Tax Treaty (DTT) or Finnish income tax regulations.

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

BREAKING RESIDENCY - EXIT PROCEDURES

A Finnish citizen moving permanently abroad will usually be considered a Finnish tax resident during the year of the relocation and for the subsequent three calendar years (so called three-year-rule). Finnish tax residency may be broken during the three-year period if the individual is able to demonstrate that he/she no longer has close economic and social ties with Finland.

INCOME TAX RATES AND SOCIAL SECURITY CONTRIBUTIONS

INCOME TAX RATES

| State income tax Taxable income (EUR) | Tax at lower limit (EUR) | Tax rate for income exceeding the lower limit |
|--|--------------------------|--|
| 19,200 - 28,700 | 8.00 | 6.00 % |
| 28,700 - 47,300 | 578.00 | 17.25 % |
| 47,300 - 82,900 | 3,786.50 | 21.25 % |
| 82,900 - | 11,351.50 | 31.25 % |

| Other taxes | Tax rate |
|--------------------|-------------------------------------|
| Municipal tax rate | Flat rate 16.5 - 23.5 % |
| Church tax rate | 1 - 2.2 % |
| Capital gains tax | 30 % on income up to EUR 30,000 |
| | 34 % on income exceeding EUR 30,000 |

SOCIAL SECURITY CONTRIBUTIONS

Pension contributions

- Employer 17.40 %
- 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 1.34 %

Employee's health insurance contribution

- Contribution for medical care coverage 0.53 % (2021 0.68 %)
- Contribution for daily allowance coverage 1.18 % if person's earned income exceeds EUR 15,128/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 0.059 %

Unemployment insurance contribution

- Employer
 - For payroll of a maximum of 2,197,500 €/year 0.50 %
 - For part of payroll that exceeds 2,197,500 €/year 2.05 %
- Employee's contribution 1.50 %

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

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