

Period of validity
9 June 2023 – 31 March 2024

Date: 9 June 2022

Record number of the original guidance document in Finnish /in Swedish
VH/1006/00.01.00/2023

To:
Employers
Commercial software vendors, IT service providers
IT centres providing electronic transmission of data

Direct online transfer of 2024 withholding data for payments of wages

Table of contents

1. Changes on the previous year.....	3
1.1. List of important changes.....	3
2. Description of the direct data transfer procedure	5
2.1. Description of the stages of the direct transfer procedure	5
2.2. e-Services used in data transmission	5
2.3. Deadline for making a request.....	6
2.4. New employers, payors of nonwage compensation (= trade income), social benefits, personnel funds, participating in the transfer.....	6
2.5. Payors of social benefits using the transfer of withholding data	6
2.6. Personnel funds using the transfer of withholding data	6
2.7. Employers/nonwage compensation payors using the transfer of withholding data	7
2.8. Release of instructions and specifications of the required data format.....	7
2.9. Who are the parties entitled to ask for withholding data?	7
2.10. Confidentiality requirement	8
3. Guidelines for reporting	8
3.1. Income ceilings.....	8
3.2. The base withholding rate, and the additional withholding rate	8
3.3. Identifiers for IT service centres/employers; needs to differentiate between many employers or units	9
3.4. How to differentiate between employees with hourly pay and monthly pay	10
3.5. A tax card for beneficiaries of wage income, seafarer's income, wages from Åland archipelago ferries.....	10
3.6. Tax-card information of foster care providers (perhehoitajat).....	10
3.7. Tax-card information of family caregivers (omaihoitajat)	10
3.8. Tax-card information for nonwage compensation (non-VAT).....	11
3.9. Tax-card information for nonwage compensation (liable to VAT)	11
3.10. Instructions for use of the information	11
4. Implementing the new withholding rates.....	11
4.1. Date of implementation.....	11
4.2. Tracking the total amount paid to the beneficiary.....	11
4.2.1. Period of validity of revised tax cards.....	11
5. When the employer (payor) has received the withholding rates via direct transfer, beneficiaries do not have to present their card.....	12
6. Carrying out the withholding	12
6.1. Tax cards only contain one ceiling value for income	12
6.2. Income ceiling affecting the rate of withholding.....	13
6.3. No income ceiling	13
6.4. Rules on rounding out the amounts of money.....	13
7. More information on withholding	14

Enclosures:

Direct transfer of withholding information for payments of wages / Specification of the required data format for the 2024 preassessment year

Direct online transfer of 2024 withholding data for payments of wages

This translation in English is not official. For official guidance, refer to the original instruction memoranda in Finnish and Swedish, record no VH/1006/00.01.00/2023.

This document discusses the process of direct data transfer for the 2024 year concerning withholding rates. The answer files that the Tax Administration sends back to the employers contain information for basic tax cards. The percentage rates displayed are the withholding rates to be applied to wages, and to income consisting of family caregiver's fees, foster care provider's fees, reimbursement for expenses, nonwage compensation (with VAT or without VAT), and social benefits. They can be applied on other types of earned income as well. This requires that the provisions of the Prepayment Act, the Prepayment Decree, and the Official Decision of the Finnish Tax Administration on the Methods and Rates of Withholding are followed.

1. CHANGES ON THE PREVIOUS YEAR

Some changes were made to the 2024 guidance and the 2024 specification of the required data format, mostly related to the dates and the year.

1.1. List of important changes

This specification sets out the requirements of file formatting that come into force 26 September 2023 and continue to be in force until a new version of this specification is released.

The deadline for 2024 request files 15 February 2024. The deadline is on this date (at mid-month) because some employees are paid wages only at the end of the month. Payors are required to retrieve their answer files by 27 February 2024.

New tax cards will be effective from 1 February 2024. Employers should send their request files early enough so they can receive the answers on time and also check them. There may be some workers whose withholding information is not included in the answer file. In these circumstances, the employer should contact the individuals not included in the answer, in order to ask them to present their revised tax cards to the employer. The most frequently occurring reason for an employee to not be included in the answer file is that the Tax Administration has not prepared a tax card for the category of income that the request file refers to. In this case, the individual worker must first estimate the amounts of his or her income and deductions for the year, and then send the amounts to the Tax Administration in order to get a tax card. This can be done through MyTax, the Tax Administration's telephone service, or in person at a tax office.

The present memorandum now refers to year 2024.

1.2 Specific instructions on direct-transferred data

1.2.1 Withholding percentage rate for wages, for payors of social benefits

The practice has been to implement the basic tax-card withholding rates, actually designed for wage income, when paying out social benefits to recipients. The payors have received the rate information through the direct transfer of data. However, the payors that pay out benefits have had to increase the rate in order to make it reach the minimum level of withholding rates.

Rules concerning minimum rates are found in the Tax Administration's Official Decision on the methods and rates of withholding. According to these rules, payors must withhold more tax on benefits than on wages. The reason for this difference is that the tax-deductions available to recipients of benefits are smaller than the tax-deductions available to wage earners. If a revised tax card is issued to an individual taxpayer who expects to receive a social benefit, the payor must implement the rate indicated on the revised tax card.

Payors that pay out social benefits must enter "1" as the value of "The payor is" (position 53 of the direct-transfer request; value "1" means "The payor is a payer of a social benefit") and "1" as the Request category (position 51; value "1" means "Request for withholding data on non-seafarers' pay from primary employment"). In addition, they must fill in the other required information, i.e. differentiate between employees paid on an hourly basis and those paid on a monthly basis (position 50), etc. in accordance with the Specification of data records. In this case, the answer file going to the payor will contain tax-card information intended for payors of benefits, including the withholding rate and a value for the recipient's income ceiling.

1.2.2 Trade income

Starting 2021, the request file can additionally contain specific requests for a withholding rate applicable to trade income, i.e., nonwage compensation (which may be paid to a person with a VAT registration or to a person without a VAT registration). It should be pointed out that the normal procedure is to issue specific tax cards to beneficiaries of trade income; for this reason, these cards are not included when the income ceiling for wages is determined, and they do not affect the withholding rate on wages. If the payor relies on electronic request files and answer files when obtaining the withholding rates, it is no longer necessary to keep track on whether the answer file indicates a basic tax-card rate or that of a revised tax card. It is enough if the payor refers to the right category of income when sending the request.

Further information on the tax cards intended for trade income is available on tax.fi: Income from freelance work, receipts of trade income.

Request files contain the following selections under Request category (position 51) for the payors that pay out nonwage compensation, i.e. trade income:

5 = Nonwage compensation paid to a non-VAT-registered person, request for withholding rate

6 = Nonwage compensation paid to a VAT-registered person, request for withholding rate

The place in the information flow for filling in the Business ID (positions 37-49) is the same for payors of trade income and for employers.

The payor must indicate its Role as the same as the employer (the value of position 53 = 3).

Trade income (VAT) only has the withholding rate information on the answer file (positions 92-95). No money should be withheld on a VAT amount that is paid out.

The answer file sent to a payor of trade income contains a withholding rate (in pos. 92-95), income ceiling (in pos. 96-106), and the additional withholding rate (in 107-110).

The Tax Administration implements a calculation formula for the proportionalized ceiling value for 1 February to 31 December 2024 (positions 96-106). The formula is explained under Section 18 of the Specification of data records.

1.3 The new "Withholding rates for payors" API interface

The new API called "withholding rates for payors — Ennakonpidätystiedot maksajille" provides an alternative way to access the direct-transfer process described in this guidance.

After secure login, payors or their representatives can use the API to search the recipients' withholding percentage rates before each payment is made, for both basic-tax-card rates and revised-tax-card rates.

For more information on Vero API, see our API guides on [tax.fi](https://www.vero.fi).

2. DESCRIPTION OF THE DIRECT DATA TRANSFER PROCEDURE

2.1. Description of the stages of the direct transfer procedure

The process discussed in this document is that the Finnish Tax Administration sends the employees' withholding rate information to employers, to payors of social benefits, or to personnel funds. The Tax Administration delivers the withholding information on the basis of requests made by employers concerning individual workers, by payors of social benefits concerning individual recipients, or by personnel funds concerning individual fund members. Requests must comply with the specification of the required format and they must be submitted to the Tax Administration online. The employer, payor of benefits, or personnel fund must complete the request file as specified and give sufficient identification data for each worker.

We send back our answer files to employers, benefit payors, personnel funds, using the same data transfer service as they had used.

2.2. e-Services used in data transmission

To send the data to us, use the ilmoitin.fi gateway maintained by the Tax Administration, or use a service offered by a Tyvi service provider. Filings via any other data medium such as a CD-rom or a USB memory device are not accepted. More information on electronic filing is available at ilmoitin.fi and [tyvi.fi_en](https://tyvi.fi/en).

In order for the data transmission to succeed, the payor's accounting software must be able to create files that comply with the requirements of the Specification. It is the responsibility of commercial software vendors or system administrators to make sure of this. It is the responsibility of the employer, other payor, or his representative that the e-file is successfully sent either via Ilmoitin.fi or via Tyvi services.

Commercial software vendors must run the necessary checks (at Ilmoitin.fi > *Check*) on the files before sending them for the first time. This step will ensure a secure and problem-free transfer of data.

To sign in securely to the e-Services, the employer or IT service centre must obtain a User ID and/or authorisation from the company they represent. Tax Administration e-Services require secure sign-in. For more information, visit the suomi.fi website.

We send back our answer files to payors using the same data transfer service as they had used. In accordance with our current plans, we start sending back the answer files in mid-December. The data is sent back to requesters as soon as it is ready.

Specifications are on a separate memorandum, listing all the required data elements and explaining the structure and formats of the request file.

2.3. Deadline for making a request

Employers and others must submit their requests by **15 February 2024** to the Tax Administration. If request files arrive later, the Tax Administration will refrain from responding to them. Payors are required to retrieve their answer files by 27 February 2024.

2.4. New employers, payors of nonwage compensation (= trade income), social benefits, personnel funds, participating in the transfer

New employers, other payors of nonwage compensation and benefits, or personnel funds, participating in the direct online data transfer process need not send any advance notice to the Tax Administration. There is no need to sign a contract with the Tax Administration when you participate in the online data exchange with request-and-answer files for the first time. However, participants must closely follow the instructions and the updates made to them.

The Finnish Tax Administration's contact information can be found in the specification of the required data format.

2.5. Payers of social benefits using the transfer of withholding data

If you are a payor of taxable social security benefits, unemployment relief, insurance indemnities or comparable taxable benefits, you should give "1" as the value of (position 53 –) "Payor is". Employers or nonwage-compensation payors must not enter value "1" – they can enter "3" or leave the position blank.

2.6. Personnel funds using the transfer of withholding data

If you are a payor of taxable personnel-fund units, you should give "2" as the value of (position 53 –) "Payor is".

In addition, position 37-49 must in the case of a personnel fund contain the employer's Business ID to indicate the underlying employer i.e. the employer for which the fund unit is going to be paid out.

If the payor is an employees' mutual fund, it must apply the additional rate of withholding. This is because the direct-transferred information on withholding rates relates to the basic tax cards intended for employers that pay out wages.

Under § 12 of the prepayment decree (Ennakkoperintäasetus (821/2018)), the amount to be withheld on a fund share or profit-surplus, paid out by an employees' fund, must be calculated at the additional rate. This rate is stated on the recipient's tax card. Alternatively, the amount can be calculated as instructed by a revised tax card, which has been issued expressly for this purpose, and a basic withholding rate, an additional rate, and an income ceiling are stated on that card.

2.7. Employers/nonwage compensation payors using the transfer of withholding data

Employers that pay wages and other payors that pay nonwage compensation i.e. trade income can enter value "3" into "Payor is" (position 53) or leave that position blank.

2.8. Release of instructions and specifications of the required data format

Instructions and Specifications are posted each year at [tax.fi > About us > > Information and material on taxation > IT_developers > Data_format_specifications > Direct data transfers and other e-filings.](#)

Instructions are issued in new versions every year, because there is some variation from year to year due to the irregularity associated with withholding rates, their dates of coming into force, and the deadline dates for the filing of direct-transfer requests. Commercial software vendors, payors of pensions and all other preparers of request files should therefore adapt to regularly occurring changes of data formats every year. Ordinarily, the updates of instructions and guidance are published in August or September.

2.9. Who are the parties entitled to ask for withholding data?

The Tax Administration delivers withholding rates by direct online transfer to employers under section 17 (1), paragraph 1 of the Act on the public disclosure and confidentiality of tax information (1346/1999). Notwithstanding the confidentiality obligation, the Tax Administration may disclose information to employers or other payors on the withholding tax rate and other information required for payment of withholding tax related to taxpayers as specified by the employer/payer.

Employers have the right to collect the data that are needed for withholding, and the right to store such data in their payroll accounting systems. The request filing must be limited to cover the individuals who actually work for the employer at the time when the withholding data is in force. If any organisation or individual maintains a register in such a way that neglect is evident with respect to the protection of personal information of natural persons within the meaning of the EU General Data Protection

Regulation 2016/679 (GDPR) and the Finnish Data Protection Act (1050/2018), it is regarded as a punishable offence involving an obligation to pay damages.

2.10. Confidentiality requirement

The withholding data transmitted to the payors are confidential. Pursuant to § 12 of the Act on Public Disclosure and Confidentiality of Tax Information, they may not be used for any other purposes than what is their intended purpose. The only permissible purpose is the withholding of tax.

Provisions on non-disclosure and prohibition of information misuse are found in § 22 and § 23 of the Act on the Openness of Government Activities (621/1999). Anyone processing the information must keep it confidential under the provisions of the legislation. They must not use it for their personal benefit or for the benefit of another, nor to the detriment of any third parties.

Whoever handles individual taxpayers' (=employees') withholding data must also consider the obligations of the Controller of a database within the meaning of the EU General Data Protection Regulation 2016/679 (GDPR) and the Finnish Data Protection Act (1050/2018), including the obligation to adhere to the agreed purposes of use, the obligation to protect the data and the obligation to inform the individuals whose data is being captured.

When any information becomes obsolete and unnecessary, delete it from the system.

The confidentiality requirements under the GDPR and the Data Protection Act concern all those who handle withholding data at employer companies, accounting firms or IT centres.

The database of the Tax Administration makes a log of the users who send in request filings and of the employers (and others) who have been given the withholding data.

3. GUIDELINES FOR REPORTING

3.1. Income ceilings

The tax-card calculation causes all cards to have only one ceiling value, applicable on wages, seafarer's income, Åland's ferry income, social benefits, depending on the type of income defined under Request category – position 51. Positions 62 to 71 include a single income ceiling that will remain in force for the entire period of validity of the card.

Income in the form of family caregiver's fees, reimbursement for expenses, foster care fees and nonwage compensation (non-VAT) has the ceiling value in positions 96–106 in the answer file (in accordance with types of income defined in the request file under Request category – position 51).

In the case of nonwage compensation (VAT-liable), no income ceiling is indicated.

3.2. The base withholding rate, and the additional withholding rate

The answer file indicates the rates for basic withholding and additional withholding as percentages – decimal figures – containing one decimal point. The answer file contains decimal separator characters, for example: 25,5

3.3. Identifiers for IT service centres/employers; needs to differentiate between many employers or units

All requests must contain both the Business ID of the party that requests the information and the Business ID of the employer. Both identifiers are required. Only the currently valid, officially issued Business IDs can be used as identifiers. You cannot identify any requester with a Business ID that is no longer valid. **Any party requesting data transfer** must give their Business ID or sub-accounting unit ID. They cannot identify themselves with a personal identity code. **Employers** either give their Business ID, their sub-accounting unit ID or their Finnish personal identity code. However, the primary identifier for all employers is the Business ID. The use of a Finnish personal identity code is only permitted if no Business ID has been issued to the employer.

If the employer has not engaged the services of an IT centre, they must have a Business ID. In this case, the employer's Business ID must be entered twice — first as the party asking for data transfer, and then as the employer.

The Tax Administration prepares a single answer file that corresponds to the setup of the request file in its entirety.

IT centres can make use of the employers' Business IDs when they pass on the data to each employer. Filers may enter any other pertinent data for purposes of differentiation in position 50 (employees with hourly pay =1, and employees paid monthly =2), in position 52, or in positions 54 to 61. The Tax Administration does not use or alter the data content of these positions.

Example 1: Employer asks for withholding data, without engaging the services of an IT service centre for sending the request file to the Tax Administration. The employer must enter its company Business ID as the “party requesting data transfer” (positions 24 to 36), then entering it again as the “Employer's Business ID” (positions 37 to 49).

Entries:

Positions 24 - 36 0333333-2 (company Business ID)
Positions 37 - 49 0333333-2 (company Business ID)

Example 2: An IT software service centre handles the online information interchange for many corporate clients that are employers. The IT centre enters its Business ID as the “party requesting data transfer” i. e. the filer (positions 24 to 36). Then it enters the client employers' Business IDs as “Employer's Business ID” (positions 37 to 49) as appropriate, according to who the employer of the employee being requested is.

Entries:

For the first employer:
Positions 24 - 36 0123456-2 (company Business ID of the IT centre)
Positions 37 - 49 0333333-7 (the client's i.e. the first employer's Business ID)

For the second employer:

Positions 24 - 36 0123456-2 (company Business ID of the IT centre)
Positions 37 - 49 0444444-2 (the client's i.e. the second employer's Business ID)

3.4. How to differentiate between employees with hourly pay and monthly pay

Employers who want to differentiate between employees paid on an hourly basis and those paid on a monthly basis can use the additional space in the request file. In this case, the Tax Administration will only send one answer file, which either the employer or the IT centre must then sort out between the different employees.

3.5. A tax card for beneficiaries of wage income, seafarer's income, wages from Åland archipelago ferries

When making the request, the employer either asks for withholding data, filling in position 51, either for pay from employment for non-seafarers (1) or for seafarer's income (2) or for pay received for working on board the Åland Islands ferry (4).

In the answer file, the Tax Administration delivers the withholding data for the type of income requested. The positions 62-73 in the answer file contain one income ceiling for wage income or seafarer's income. Its positions 75-78 indicate the basic withholding percentage rate, and its positions 86-89 – the additional rate.

In the case of pensioners who are beneficiaries of wage income, the tax card issued to them is a similar card with one income ceiling i.e. a card comparable to the tax card of a full-time wage earner.

3.6. Tax-card information of foster care providers (perhehoitajat)

Municipalities that pay compensation to foster care providers (foster care provider's fee + reimbursement for expenses) can submit requests for withholding data with the categorisation value "3" (position 51) "Request for withholding data on a family caregiver's fee, a foster care provider's fee, and reimbursement".

If the answer file contains a withholding rate, an income ceiling, and an additional percentage, the payer municipality can withhold tax on the care provider's pay according to that information. If the foster care provider presents a revised tax card for foster care provider's fee, the revised card is to be used. If the system does not return any answer file, the foster care provider must be asked to present their tax card.

3.7. Tax-card information of family caregivers (omaishoitajat)

Municipal entities that pay compensation to family caregivers can submit requests for withholding data with the categorisation value "3" (position 51) "Request for withholding data on a family caregiver's fee, a foster care provider's fee, and reimbursement".

3.8. Tax-card information for nonwage compensation (non-VAT)

Payors of nonwage compensation (to non-VAT-liable beneficiaries) can now ask for withholding rates. The category (position 51) for these requests is "5" — Nonwage compensation (non-VAT) withholding rate".

3.9. Tax-card information for nonwage compensation (liable to VAT)

Payors of nonwage compensation (to beneficiaries that are liable to VAT) can now ask for withholding rates. The category (position 51) for these requests is "6" — Nonwage compensation (liable to VAT) withholding rate".

3.10. Instructions for use of the information

If the answer file contains a withholding rate, an income ceiling, and an additional percentage for the category of income that had been requested, (and in the case of nonwage compensation, only the withholding rate) the payor has enough information in order to withhold tax on the amount it pays to the beneficiary.

However, if the beneficiary were to present a new, revised tax card to the payor, that card must be used instead. If the system does not return any answer file, the payor must ask the beneficiary to present his or her tax card.

4. IMPLEMENTING THE NEW WITHHOLDING RATES

4.1. Date of implementation

The planned effective date of new withholding rates is **1 February 2024**.

Even though the Tax Administration sends back the answer files to employers in advance (e.g. during the previous calendar month), the employer must not apply the new rates to any withholding until the effective date. This means that in January 2024, the withholding on any wages will continue to be based on the old withholding rates that were valid 31 December 2023.

However, the employers whose employees have provided revised tax cards that enter into force in January 2024 must withhold taxes according to the revised rates.

4.2. Tracking the total amount paid to the beneficiary

4.2.1. Period of validity of revised tax cards

Revised tax cards are effective from their issue date to the end of the year. The income limit is monitored from the entry into force of the revised tax card until the end of the year, if the card contains an instruction to this effect. For example, if a revised tax card has 1 January 2024 as its effective date, there must be no re-start of the tracking of accrued income on 1 February.

5. WHEN THE EMPLOYER (PAYOR) HAS RECEIVED THE WITHHOLDING RATES VIA DIRECT TRANSFER, BENEFICIARIES DO NOT HAVE TO PRESENT THEIR CARD

Employees need not give a printed tax card to their employer if the employer already has received the withholding data electronically, through direct transfer, from the Tax Administration. Employers must inform their employees that their withholding data has been received online and that there is no need to show the cards.

Starting on the effective date of the year's tax cards, the employer must withhold tax according to the transferred data, unless the employee presents a different tax card (i.e. a card that has been revised).

We recommend that the employers that participate in the direct-transfer scheme become familiar with the information included in the received answer files in good time before the payday. If there is no withholding rate for some or all employees, it is important to ask your employees to present their tax cards.

If the employer has not received the withholding data electronically in the direct transfer procedure, the employee must show their card to the employer. This is the case if, for example, employment begins after the transfer request has been submitted.

If no withholding information has been made available, the employer must apply a rate of 60% on its payments going to the employee.

Because the data on revised tax cards is not transmitted electronically, employees must always show their revised tax cards to the employer in the same way as before.

Although the database of the Tax Administration makes a log of who the users are that send in request files, and of the employers (and others) that have been given the withholding data in the answer files, the Tax Administration's customer service does not disclose the logged information. For this reason, the employer must notify their employee if they have not received any withholding data on the employee in the direct online transfer process. If employees enquire about their details transmitted through direct transfer, these enquiries must not be redirected to the Tax Administration.

6. CARRYING OUT THE WITHHOLDING

6.1. Tax cards only contain one ceiling value for income

The tax card for wages has one income ceiling for all income during the year, the basic rate of withholding and the additional rate for withholding.

The employer must apply the basic rate until the ceiling is reached. After that, the employer must apply the higher rate (called 'additional rate' — *lisäprosentti*) to all the amounts paid to the employee.

If the employee works for several employers, he or she is expected to keep an eye on the ceiling value: if it is exceeded, a revised tax card should be requested. When the new card is available, the employee must present it to all the employers.

6.2. Income ceiling affecting the rate of withholding

The tax card contains an income ceiling, withholding rate and an additional withholding rate if the card is for income in the form of family caregiver's fees and reimbursement of expenses, foster care provider's fees, and nonwage compensation (non-VAT).

The payor must withhold tax at the basic withholding rate up to the time when the ceiling is reached. After that, for the rest of the year, the payor must withhold tax at the additional rate.

If there are several payors of fees and nonwage compensation to one individual beneficiary, it is the beneficiary's responsibility to keep monitoring the ceiling value as the payors pay him or her. If necessary, the beneficiary should request a revised tax card with a corrected withholding rate and present it to all the payors.

6.3. No income ceiling

The card for nonwage compensation (VAT-liable) only contains a withholding rate and no income ceiling.

The payor must withhold tax at the card's withholding rate. **However, when part of the pay is value-added tax, no money must be withheld on that part.**

In the case of several payors, it is the beneficiary's responsibility to watch the ceiling value as the payors pay him or her. If necessary, the beneficiary should request a revised tax card with a corrected withholding rate and present it to all the payors.

6.4. Rules on rounding out the amounts of money

The amounts to be withheld must be computed in euros and cents. When computation is finished, the result is then rounded out to the nearest cent as usual. If the third decimal is 1, 2, 3 or 4, the amount must be rounded down. If it is from 5 to 9, the last cent must be rounded up.

7. MORE INFORMATION ON WITHHOLDING

More information for employers and for payors of other payments subject to withholding is available (in Finnish and Swedish, link to Finnish) on vero.fi > Syventävät vero-ohjeet > Ennakkoperintä > [Ennakonpidätyksen toimittaminen - vero.fi](#)

Director Päivi Jäske

Senior adviser Heikki Koskela