



**Guide for self-
employment in Finland**

UKKO.fi

2022

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Foreword

The cold and distant north with its endless taiga, stoic locals and dark and dreary winters may not seem to some like the ideal place to live and work. But I find Finland to be fantastic and far from its stereotypes. Of course, this may say more about my attitude and what I consider normal than others.

The United States likes to advertise itself as the land of opportunity. And for many it may be. But Finland in comparison provides more opportunity. Not just for the young, but for the old and even the new. I moved to Finland at the age of 30, I know it’s not that old, but I had several careers before coming here. In doing so I’ve been offered a lot of opportunities to ply new trades, learn new skills, meet new people and start a business or as many businesses as I want.

This very guide came out of one of the many opportunities I’ve found in Finland. In it I’ll share my advice based on practical experience of dealing with UKKO, government authorities and clients. I’ll try to make it as applicable to as wide a range of self-employed persons as possible. But most of my examples are going to be based on writing and podcasting.

That said, Finland is going through a number of changes. So, this information may quickly become out of date as regulations regarding self-employment and entrepreneurship change. Within a year of being things changed so that I must be careful calling myself self-employed. But don’t let that worry you. I’ll explain more on that story on page 9.

All you really need to know is that this guide is written by someone with experience as a self-employed. If you want to know about me, check out my website at <http://www.gregorypellechi.com>. Otherwise, good luck.

Gregory Pellechi
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Introduction

Welcome to Finland, home of the sauna and the world's most prolific coffee drinkers. Which is a good thing because if you're self-employed you're probably one yourself. So, you'll fit right in. If tea's more your thing don't worry they have that too. Otherwise, you've got an internationally minded business community to work with and all the EU as potential clients.

Finland is often cited as an example of a progress country with forward thinking policies. Especially with regards to businesses, entrepreneurs, and start-ups. This is true but in some areas the country has been slow to develop, namely in the legislation regarding self-employment and the "gig economy". That's why it's great to have companies like UKKO who have helped streamline the bureaucratic processes so you can get back to doing what you do best. There are at least four government agencies you'll have to deal with as a self-employed, the most important will be Vero, the tax agency. Don't worry, UKKO is here to be your agent, ensuring all your taxes are paid correctly so you can work hassle-free. The others - Kela, TE-Toimisto, and Migri - will only require a minimum of engagement once you're fully established in Finland.

This guide aims to walk you through the basics of what you need to do in order to start working in Finland. It'll include everything from making sure you have the correct visa, to getting a bank account and tax number, signing-up with UKKO, and most importantly finding clients. Whatever country you're from you are bound to find a number of quirks in how Finland operates. And aside from the language barrier, they shouldn't get in the way of working if you're prepared ahead of time.

Finland has plenty of opportunities for self-employed persons, regardless of field. With a vibrant start-up scene, excellent universities, access to the single market that is the EU, close connections to the other Nordic nations, and a culture and respect for hard work Finland is a great place to set up shop. Your perseverance will pay off and with UKKO.fi's help it will be easier.

What is UKKO?

Short Answer - Your business partner

Long Answer - UKKO has three services: [an invoicing service for light entrepreneurs](#), [a service for private traders with a business ID](#) and [lastly an Entrepreneurship school](#) which has numerous articles about entrepreneurship to simplify your start in that world.

UKKO Light Entrepreneurship service enables you to operate like an entrepreneur without setting up your own company. They also take care of the bureaucracy ensuring that the correct taxes and payments are made and paid on time, leaving you more time for productive work and maintaining customer relationships. All for a small percentage.

UKKO Light Entrepreneurship service is not an accounting firm, nor does it provide accounting software. So, any expenses you may have for a workspace, equipment, etc. that you can't bill directly to a client and can't be deducted through UKKO, are usually deductible as expenses for the production of income in your personal taxes. If you're running a business, you're still going to need to do your taxes.

UKKO Light Entrepreneurship takes care of payments for VAT (value added tax), insurances. Basically, all the things that can make calculating your income quite complicated. For a self-employed it means less time fiddling with your accounts and more time working.

UKKO Private Trader service offers automatic bookkeeping online. If you don't have a Finnish Business ID, they'll set it up for you for free in just a couple of minutes. They take care of your paperwork and bookkeeping with personal customer service and accountants. Private trader is the most popular form of business among sole traders in Finland and with UKKO Private Trader service the set up and bookkeeping is very easy.

The service is suitable for sole traders who want to sell their own know-how. The biggest difference between light entrepreneurship and private trader is the scope of entrepreneurship.

If you are planning on growing your business, and you have several deductible expenses in your taxation, it makes more sense to set up your own a business ID. Also, a business ID is necessary if you operate in a field that requires permits from official authorities. If you are an entrepreneur having gigs rarely, light entrepreneurship may be better for you.

Entrepreneurship school is there to guide you both expertly and casually and is a great spark of oasis for all entrepreneurs and those who dream of entrepreneurship. You can find numerous articles about different themes related to entrepreneurship. Entrepreneurship school also publish constantly stories about entrepreneurs and their experiences about light entrepreneurship or private trading. I promise, you won't find another place where you'd learn so much about everything you need to know about entrepreneurship!

Why UKKO.fi?

Simplified interactions with Vero, the Finnish tax agency. Unlike other countries, the USA for example, in Finland self-employed persons don't pay their taxes on a quarterly or yearly basis. Self-employed persons pay their taxes every time they receive payment. In the USA as in many other places, a self-employed can work happily creating contracts and invoicing clients. But it's on the self-employed to declare their

income and pay their taxes. If they don't then the consequences are theirs alone to suffer.

So as a light entrepreneur, not having established a business, I can keep getting new jobs, signing contracts and invoicing without the involvement of the tax agency. But come the end of the financial year I need to make sure my invoices are up-to-date, and I've been paid correctly so I can pay the appropriate amount of tax.

One invoice means all the relevant taxes are applied and paid. UKKO Light Entrepreneurship service has streamlined the accounting process of invoicing your customers, which is why I use it. Added to that, is the fact they will follow-up with your customers if they haven't paid you on time. Thus, eliminating one of those difficult and potentially relationship-ruining conversations.

If light entrepreneurship is not for you UKKO.fi has also a service for private traders. All the different bookkeeping and invoicing services under the same roof! Altogether, UKKO.fi's services for entrepreneurs are there for you to help your paperwork, take care of official payments and guide you through the jungle of important issues of entrepreneurship with information that is easy to understand. Simply put, UKKO.fi is there to ease your life by giving you more time to concentrate on your work and making money.





Working in Finland – Requirements

Finland, like every country, puts a number of additional requirements on immigrants who wish to work. These apply to everyone regardless of whether they're from another European Union, Nordic Council country or elsewhere. As a self-employed or entrepreneur these apply to you, though none of your clients is going to check to make sure you're legal. But to use UKKO you need to have this documentation in order.

Registration and visas

Your right to work in Finland is based upon the type of resident permit you have. Migri, the Finnish Immigration Service, has all the information on their website that you will need. Though it can be difficult to understand. If you have a resident's permit, check it against the information on the website to determine if you're allowed to work.

European union and nordic citizens

If you're a citizen from any of the EU or Nordic countries, you automatically have the right to work in Finland. The only caveat is that you register an address in Finland within three months of arriving. If you do, then you're entitled to the public services and benefits granted to Finnish citizens and residents. If you don't then you're considered a Tourist. There are other implications for not registering, but what it really means is that you can't work. So, register with the Police, and all of the following requirements will become easier.

Third country citizens

You're a third country citizen if you're not from Finland and you're not from the EU or another Nordic country. It's a crappy term, but you'll see it used on the Migri website. Just remember you're awesome and making Finland better with your very presence.

That said, your residence permit is going to determine if you can work and how much. The full list of who can work without restrictions can be found [here](#). Students, Au Pairs, Researchers, the Self-employed, those on Working Holidays, Asylum Seekers, Specialists, and those accompanying their partner to Finland to work all have restrictions on the amount they can work. Again, more information can be found on the Migri website.

Regardless of why you came to Finland you're going to need a residence permit that allows you to work as a self-employed or entrepreneur. That means either an unlimited right to work, or the right to work within the field you're self-employed in. If you've received your permit before arriving in Finland, make sure you register your address with the Police once you arrive in country.

Once you have your residence permit and a registered address then you can go get a Bank Account, Tax Card and register with Kela & TE-Toimisto. More on those in the coming pages.

Personal example:

I applied for my residence permit the day I arrived in Finland. Depending on where you are in Finland there is often a long line at the immigration office. In Helsinki, this is in [Malmi](#). Had I not had an appointment I would have been there for hours. My wife also forgot some of her paperwork, and she's the Finn. But everything was sorted that day, I just had to return the next with the extra stuff from my wife. The nice thing about Finland, compared to say my home country of the USA, is that you can remain in country while waiting on Migri's decision.

Lesson:

Book an appointment to apply for your residence permit. And double check you have all the paper and identifying documents with you. If you're in Finland with a partner, make sure they have the appropriate identification as well.

Bank account

You will need a Finnish bank account to live and work easily in Finland. This isn't due to protectionist economic practices on the part of the Finnish government. Rather bank accounts provide a centralized means of verifying a person's identity that are used in a large number of situations.

They do this by providing each person with a unique bank code and a multi-step verification process. Be prepared to go through this a lot. You'll do it when making bank transfers, signing into government service websites, paying for things online and more.

A Finnish bank account also means you'll be able to be paid directly without incurring any fees for international transfers. It's also a requirement for getting a Finnish Tax Card and opening an account with UKKO. There are plenty of [banks](#) to choose from so pick the one that suits you.

Personal example:

Banks are not obliged to give you a bank account. American citizens, of which I am one, may have a particularly difficult time opening an account due to certain laws and policies of the United States' own tax agency. The rates offered for accounts and services will vary so shop around to find the best deal. Because my wife had been with her bank for so many years the bank was willing to take me on as a new customer.

Lesson:

It's preferable to open an account at the same bank as your partner should you have one as the bank will likely view you as less of a risk.

Tax card

[Vero](#), the Finnish tax agency, is also known as Skatt in Swedish. But for the sake of this guide, it'll only be referred to as Vero. While the mention of any tax service tends to invoke a sense of dread, Vero is a surprisingly service-oriented institution. Practically all your interaction with

them can be done online, with help guides and information found on their website in English, Finnish and Swedish.

The one time you will need to go to a Vero office is to get your first tax card. To get it you'll need your residence permit and bank account details. If you already have a contract for some work that'll be helpful. Your tax rate is calculated each year and placed upon your tax card. The rate is determined by what you earned in the previous year and what you are projected to earn in the coming year.

For first time self-employed persons this can be difficult to determine as you may not know what your rates will be, and you certainly don't know how much work you'll have. So, give them something you think is reasonable. Don't worry, at the end of the year your tax rate will be automatically adjusted and if you paid too much you'll be reimbursed by Vero. If you paid too little, then you'll be required to pay them more to make up for the year.

Note, if you are receiving any benefits from [Kela](#) then these will be taken into account by Vero. You'll see everything you earned or received accounted for on your tax form at the end of the year. If you think something is wrong or you need to make a modification you can easily do that online.

There are two types of tax cards – one for wage income and one for trade income. The first mentioned is accepted by UKKO. The latter is for situations if you receive trade income through some other invoicing services. Normally you can apply tax card online, but your first card must be applied for in person. See instructions for applying a tax card [here](#) as they might change constantly.

After having visited Vero office or in other way received your first tax card, it should be emailed to UKKO to make sure they take out the correct amount of taxes. If you have access to [MyTax](#) e-service and your tax card is there as a PDF, UKKO retrieves your tax information automatically.

Several employers

Sometimes your clients will insist on handling your payment directly without invoicing services. In this case you will need to provide them with a same tax card you already have. A copy of your tax card is enough to make sure they take out the correct amount of taxes.

You can give the same tax card to multiple employers. Just remember that your tax card has one income ceiling for all your income during the year. You should request a new tax card if your early income ceiling is exceeding and provide it to all your clients.

If you have a second job, check if you're allowed to work beyond your main employer according to your residence permit. For more information on that see page 7.

Lesson:

Be prepared to encounter some companies or clients who won't know about UKKO and/or don't want to pay you through UKKO.

Kela & TE-toimisto

Once you have 1) your residence permit 2) your registered address and 3) your bank account you can register with Kela, the Finnish social security agency and TE-Toimisto, the unemployment agency. Some may say you don't need your bank account to register but if you have it, you can receive your benefits sooner.

The relationship between Kela and TE-Toimisto is complicated. They are technically independent agencies of the Finnish government. As such there is some information they share. But it's never enough. Which is why you need to register with both, even if you plan to be employed full-time as a self-employed.

In order to receive certain benefits, you'll have to have the approval of TE-Toimisto. They will need to inform Kela. This should be a simple process of one government agency requesting information from and then receiving it from another. It does not work that way. Kela may request proof from TE-Toimisto, but TE will be

slow to respond or not respond at all. At that point it will be on you to schedule an appointment with TE-Toimisto, explain the situation and make sure they send the permission.

Personal example:

I had started my integration course, one of the many benefits you can receive upon moving to Finland. Then I started self-employment. It was part-time, extremely unpredictable work. But I reported all my work and resulting income to Kela. Because I reported it, all of my benefits were stopped. To resolve it, I had to inform both Kela and TE-Toimisto what I was doing. Kela then required a letter from TE, stating that this was acceptable. It took about five months to sort out, but in the end, I received back payment of all my benefits, was allowed to continue my integration course and keep working.

Lesson:

Inform Kela and TE-Toimisto ahead of time that you will be doing occasional part-time work. DO NOT CALL IT FREELANCING. Inform them and make sure they put this information in their records before you start receiving any benefits.

KELA

Finland is world renowned for its public healthcare and education. As a resident you're entitled to many of those same benefits. But you need to sign up. You're not automatically included in the system.

Kela will be the agency in charge of paying you any benefits you receive. They can include housing allowances; study grants; maternity, paternity and parental allowances; unemployment and integration benefits; pension payments; health insurance; and more. Your income and employment will determine what you're able to receive.

After signing-up with Kela, you'll receive your Kela Card. Take it with you should you ever need any medical or dental services. It works even at private clinics, as a part of your healthcare is subsidized by Kela. If you forget it, then you have to make a claim and can be

reimbursed. It's simpler just to keep it with you.

If you're working part-time and/or receiving certain benefits from Kela you will have to report your work activities and income every month. Some benefits are dependent on how many hours you work, others on how much you earn. The system isn't exactly set up with self-employed persons in mind. So, while you may go through cycles of boom and bust, your benefits will catch up. It's just going to be really slow though, as a decision has to be made on whether or not you should receive benefits each time your situation changes.

Personal experience:

When I was doing my integration course, I was also receiving unemployment benefits. Those two were paid together by Kela. But if I had a work project, I had to be careful not to report too many hours each week. Because even if I was able to do the work in the hours after my daily classes I could easily have been considered full-time employed. That's without having a contract stating such. Additionally, once I started earning over €300 per month my benefits started decreasing.

Lesson:

Be aware of how many hours you are working. Report a realistic amount but be prepared to justify that amount to Kela and TE-Toimisto. Most people have not worked as self-employed or freelancers and so do not readily understand your situation. Always accurately report your income, otherwise you're committing fraud. Using UKKO helps prevent this.

TE-toimisto

TE-Toimisto is probably the most dreaded of Finland's government agencies. Not because it's some mysterious entity operating in the gray areas of the law. But because their customer service at times leaves something to be desired and the impact they can have on your life is immense. They're an under resourced agency that works hard to get all of their clients into the workforce, even new residents from outside of Finland.

Don't let that scare you though. If you're a self-employed with plenty of clients, then your interactions with TE-Toimisto are going to be limited. If you're starting out in Finland, then you're going to want to sign-up with TE as they're key to you receiving a lot of benefits.

Through TE-Toimisto you can receive integration courses where you learn Finnish and/or Swedish along with work placement; gain access to retraining opportunities if you feel the need to switch careers; job boards; entrepreneurship training and the startup grant. The startup grant and language lessons are likely to be most interesting to you as a self-employed. More on the startup grants can be found on page 11. For TE-authorized lessons you'll have to speak with the agent TE-Toimisto assigns.

Personal experience:

I'm learning Swedish. It's not the main language in Finland, but it is an official language. As such you are legally supposed to be able to receive all government services in Swedish. For personal reasons I find Swedish much easier to learn, though the practical reality of using it means its limited. However, my skills mean that I won't be working in Finnish or Swedish, even if my clients are. This guide for example, is one such project where I don't need either language. That said, taking the integration courses can give you a good network, introduce you to job opportunities, and open up Finland even further.

Lesson:

If you've got the time, take the classes on offer. Swedish is always an option, but you may have to fight for it as your TE-Toimisto Agent may not be aware that such classes are on offer. And remember to tell them you'll be doing some occasional part-time work. DO NOT CALL IT FREELANCING OR SELF-EMPLOYMENT.

Don't call yourself a freelancer or self-employed

In a guide about being a self-employed this may sound contradictory. However, there are legal implications to being a freelancer or

self-employed. Those implications then impact what benefits you're able to receive and potentially what you pay in tax as well. If you don't earn enough to sustain yourself and are in need of unemployment support, then both TE-Toimisto and Kela will require you to report your income. To guarantee that you receive these benefits it is best to not call yourself a self-employed, freelancer or entrepreneur. You may have to explain your work, but it can be worth it.

If you are going to call yourself a self-employed anyway, then in the eyes of TE-Toimisto you're an entrepreneur. So certain benefits are not available, like unemployment support. Others like the Startup Grant are. Your income is still going to affect the availability of other benefits such as the housing allowance, so you may still be eligible to receive it.

Startup grants

Finland is really pushing hard to promote and enable entrepreneurship. Some of the current government's policies may seem counter-productive to achieving that goal. But one that remains viable for self-employed persons is the Startup Grant.

You're in the ideal situation to receive the grant if you've just arrived in Finland or you're switching to becoming a self-employed after having been employed. To do so you're going to have to meet a couple more requirements and of course apply. But for a self-employed just getting their business up and running it could be just the boost you need.

The big thing to remember is that you can't start your business before you receive the grant. There are a couple of other preconditions that have to be met as well. All of them can be found on the TE-Toimisto website [here](#). How they'll determine if your business has to potential to be continually profitable, I don't know, so it may be smart to have a business plan ready before you apply for the grant.

If you need training in how to run a business and be an entrepreneur TE-Toimisto can connect you to such. For additional resources that can help you develop your business check

out page 32.

Unions

Finland has a union for just about every profession. Though which union that is may not be immediately apparent from their names. There are three trade union confederations: The Central Organisation of Finnish Trade Unions (SAK), The Finnish Confederation of Salaried Employees (STTK) and The Confederation of Unions for Academic Professionals in Finland (AKAVA). Each provides a number of resources and can help connect you to the union best suited to your industry.

There is no minimum wage in Finland. Instead, the unions negotiate with the State and employers to establish industry specific minimums for wages, benefits and work conditions. These negotiations are known as collective agreements. If you are not a union member you still benefit from these agreements. So before negotiating a contract check to see what the requirements are for your industry.

Unions also run unemployment funds, but these are only for members. The unemployment benefits may be higher than what you can receive from Kela. However, check with a union before joining to see what their membership dues are, as they may be prohibitively expensive for a self-employed. Unions also provide dispute resolution services, but those may ultimately be referred to the Labor Court.



UKKO – How everything works?

Light entrepreneurship

UKKO Light Entrepreneurship handles a lot of the grunt work that most self-employed persons don't want to. After all, it's rare that you can invoice customers for the administrative work required in running a business. So, it is well worth the small percentage UKKO takes to hand off many of the tasks they do.

Sign-up

To use UKKO Light Entrepreneurship service you only need four things:

1. Email Address,
2. Phone Number,
3. Finnish tax card, and
4. Bank account.

Signing up for the service is done online at their [website](#). For the first stage you'll need to provide your email address, name and telephone number. Once you've verified your account it's just a matter of updating your profile. Be sure to add your bank account details so you can be paid.

If you have access to [MyTax](#) eService and you have your tax card as PDF there, UKKO is able to retrieve your tax information automatically when you log into the service. You can also upload the copy of your tax card to your UKKO account. Vero, the tax agency, will also send your tax card directly to UKKO or any other employer if you wish.

Signing up is that easy and free. Once you've done that you can start billing and invoicing clients. After the client has paid, UKKO is able to pay your salary. UKKO Light Entrepreneurship service takes their fee only when your salary is paid. In your profile you can also set how often you want UKKO to transfer your income to you. You can receive it immediately upon payment by your client, every 15 days, every 30 days, or when you tell UKKO to make the transfer.

Referral program

Once you're signed up with UKKO you also qualify for the Referral Bonus. Not only do you receive the bonus for each person you've referred to UKKO, but they receive the bonus as well. It's a great incentive to sign-up.

You can find your referral link on the first page of your own UKKO account. You'll receive 50€ in your UKKO account for each person you refer who signs up with UKKO Light Entrepreneurship once they have invoiced at least 300€ excluding VAT.

Customers

UKKO Light Entrepreneurship service makes it quick and easy to invoice your customers, not just those in Finland but elsewhere too.

All you need is the following information:

- VAT ID, also known as Business ID,
- Company Name,
- Contact Person,
- Contact Email, and
- Address.

You can save those details so you can quickly reference repeat customers. Saving your time by not requiring you to re-enter their information every time. Under the Customers tab you click New Customer then add in the relevant details.

If they're a registered company in Finland and have their own VAT ID then the system should be able to fill in most of the details, except for the contact person and their email. If they're an individual, and not a registered company, then you won't need a VAT ID.

Recommendation:

Add every client to your customer list in your UKKO account. It'll save you time in the future if you do more work for them. You won't have to chase down contact details.

Billing and invoicing

Invoices require additional information, beyond just the contact and tax details of your clients. These include:

- Payment Terms,
- Reference Details,
- Occupation Title, and
- Services & Goods.

The Payment Terms should be worked out in your contract with your client. For UKKO, the Payment Terms is the time that a client has to pay you from the date the invoice is sent. You can set it to be as little as seven days (14 days is a minimum with debt collection) or as many as 60 days.

UKKO can also take care of following up on any unpaid invoices, provide overdue notices and handle debt collection. It's not required and can be changed at any time when creating the invoice.

The Reference Details include a project name and a description. Neither is required to complete the invoice but can be helpful for your clients, so they know what the invoice is for.

The list of Occupation Titles is long. The impact isn't immediately noticeable, but the information is needed for insurance companies' calculations.

Services & Goods are the most important part of the invoice, after the client details of course. It is here that you itemize all the services and/or goods you've provided to your client and the costs. As part of each item, you provide a description, amount, units or hours, unit or hourly price, starting and ending dates, and whether or not VAT has already been included.

Clients that are outside of Finland but in the European Union and have their own VAT-ID number have a separate tax rate than those within Finland. The same is true for clients outside of the European Union. Particular goods and services also have their own tax rates, so be sure to check which is the appropriate one for you to apply.

The total amount you're invoicing will be au-

tomatically calculated with the appropriate amount of VAT for each item. To that you can add a list of expenses, per diems, meal money and kilometer allowances. You can also connect your invoice to another UKKO user if you're jointly invoicing. You can also add a message for UKKO's administrators and attachments for your client, before you preview, then approve the invoice.

Taxes and fees

UKKO has a convenient [salary calculator](#) on their home page. It breaks down all the taxes and fees you'll be paying and what that'll cost you. Since this is Finland expect to see a sizable chunk be taken by the government. Don't worry though, you receive a lot of benefits from those taxes, so you know your money is being put to good use.

Recommendation:

Try the salary calculator to see an estimate of what you'll be earning and what you'll pay in taxes.

Value added tax (vat)

Finland is part of the European Union and that means VAT. It's added to just about every transaction, whether for a good or service. It's going to be added at some point in the transaction between you and your client. On UKKO, you can specify whether or not the VAT has already been added.

There are several VAT rates for different types of work. If you have not included VAT into your invoicing sum, it will be added on top of the full amount you're charging. So, if you're invoicing 1000€, the total your client may have to pay is 1240€, if your VAT rate is 24%. On your invoice, your client will see the added VAT and will be able to account for it in their own taxes.

Recommendation:

Please mention that VAT is not included in the price when agreeing with Business clients. This will be added to the invoice and thus the amount payable will be higher. Most companies

will not have an issue with this. For private customers VAT must be included in the contract.

Employee's taxes

The taxes to be taken from your salary are the Employee's Taxes. This like all the other taxes and fees, except for VAT, will not appear on your invoice to your client. For example, if your withholding tax was 10%, for a gross salary of 900€, the employee's taxes are 100€.

Note:

Employee's taxes are scalable percentages so be aware that the amount you pay can change dramatically depending on how much you invoice.

Pricing

On each salary payment UKKO charges a flat fee of 5 % and 3 % for UKKO assurance of the invoicing amount. [Here](#) you can find more about the UKKO assurance. If you're invoicing 1000 €, UKKO will take all together 80 €. If your tax percentage is 10%, the amount that's left for you is 820 €. Your client will not see these fees, only you. [The salary calculator](#) will clearly state what your gross salary is, before taxes, but after UKKO's fee and other contributions.

YEL = Self-employed person's pensions act

Light entrepreneurs and self-employed persons have to take out pension insurance under the Self-employed Person's Pensions Act (YEL) if they meet the conditions for the insurance. YEL insurance serves as the foundation for the pension and social security of entrepreneurs.

You need to take out the insurance if the following conditions meet:

- Your monthly income is more than 714€ (yearly more than 8 575,45 €)
- Your entrepreneurial activities lasts longer than 4 months
- You are self-employed person between

the ages of 18-69

Self-employed person must insure their activity within six months from the starting date of the insurance obligation in order to avoid an increase for neglect.

Obligation to insure themselves also applies to persons who are self-employed but not Finnish citizens. During old age pension it is voluntary to take out YEL insurance. Taking out voluntary pension insurance does not affect YEL obligation if above-mentioned requirements are met. You can take out YEL insurance through UKKO or directly from a pension insurance company. Read more [here](#).

The amount of YEL contributions is a set percentage of the YEL income you estimate yourself. Read more about YEL income estimation and contributions [here](#). If you take out YEL insurance through UKKO, the insurance is to be established to pension insurance company Varma. UKKO takes care of your YEL invoice twice a year and deducts money from your salaries to pay those invoices. If there's not enough money to pay them, you'll receive an invoice via email where's the rest of the amount that is left to pay.

So, if you have YEL insurance through UKKO remember that impacts on your salary and how much you'll be paid in the end. In the salary calculator you can also calculate YEL contributions and how much they are.

Health insurance fee

Light entrepreneurs using invoicing services no longer have to pay a health insurance fee if they do not meet the conditions to take out YEL insurance. Thus, if you as a light entrepreneur are not earning more than 672€ per month constantly, you'll be paid more.

The 1.53% (2023) portion of the health insurance fee is paid only by light entrepreneurs who meet the conditions of YEL insurance. UKKO takes care of all payments and deducts health insurance fee if needed. If you meet the conditions to take out YEL insurance, calculate health insurance fee as well as part of the salary calculations.

Health insurance contributions cover the costs of the sickness insurance scheme in Finland. For example sickness allowance, rehabilitation allowance, maternity, paternity and parental allowance are paid through the health insurance system.

Expenses and allowances

Travel expenses and material costs can all be added as expenses to an invoice. The salary calculator allows for this as well, but only as block costs, you can't add these expenses as line items.

You can list each expense and allowance as a line item in your final invoice though. Read about expenses and allowances [here](#).

Recommendation:

Agree with your client what can be included as expenses and allowances and include it in your contract.

Private trader - an alternative to light entrepreneurship

UKKO Private Trader service handles the paperwork and bookkeeping – the stuff many entrepreneurs don't want to do or considers them too complicated. With UKKO Private Trader you can set up your own business for free and get your Business ID right away. They will enter your business to VAT-register and Tax Prepayment-register. After these you can start invoicing!

UKKO Private Trader service includes following features:

- Automated accounting
- Smart billing software: create, send and receive invoices in one place (including e-invoices and paper invoices)
- Real-time economic monitoring
- Automatic VAT and tax returns
- Competent customer service support and security for the user (e-mail and telephone)
- Product and customer register
- Driving log
- Income statement that is generated automatically
- Automatic reading of data from receipts
- Digital storage of receipts and receipts.

All these features are there for you to make your life easier - and for a small monthly price!

How to start

To start UKKO Private Trader service you need to:

1. Register with your email
2. Wait for instructions by e-mail

The first step is to register as a user of the service. Registration is free. You can register with a ready-made Business ID, or if you want to start a business, you can apply for a Business ID through us when you register. You will receive a business ID immediately.

After you have received instructions by e-mail, you will need to take a few simple steps to

access the service. Proceed followingly:

1. Suomi.fi authorization

The next step after registration is to authorize UKKO handle your tax matters. When you register, we will send you an authorization request to the Suomi.fi service and it will appear to you within a couple of days.

If you don't see the request yet, you can take the following actions while you're waiting for it. (PS. If the authorization request is not heard within a few days and you registered with your old business ID, check [YTI's company search](#) to see if your business ID is active and activate it with this [form](#), if necessary.)

2. Add basic information about your business

Once you have registered, you will be able to log into your UKKO account. Navigate first to the "Settings" section of the service and, if necessary, complete the most important information about your company in the "Company Basic Information" section.

3. Bank account information

From the settings, you can also add your bank account information. Your customers pay their bills for this account. A private trader does not need a separate business account. The personal bank account is also suitable for this.

4. Payment method

Add your bank card to the service. UKKO charges service fees from this card. The service requires a debit card or credit card to work, so do this as soon as possible and make sure the card could be charged successfully.

5. Save your own billing information

You can also receive purchase invoices directly into the UKKO service. Under "Purchase Invoices" in the settings, you will find your own purchase invoicing information, which you can

report to the sender of the invoice. This way, your purchase invoices appear directly on the service, and you can easily add them to your bookkeeping.

6. Monthly confirmation

To ensure that your bookkeeping is kept up to date, we ask that you add all supporting documents for the previous month to the service by the 21st of the following month and acknowledge to us that everything is in order for the previous month. In practice, this means that you check that the service shows all monthly income and expenses with receipts and that the paid invoices have been acknowledged as paid.

The system requires a monthly receipt to be made on time to work - so always remember to check the month ready!

Billing and invoicing

Invoicing customers is easy, but you need to fill following information:

- Customer information,
- Billing information,
- Payment terms, and
- Services & goods.

First, you need to fill customer information. The needed information changes whether your customer is a company or a private person. Choose the sending option for your invoice. You can whether download the invoice file as a PDF or send it via e-mail, mail, or Finvoice-electronic invoice.

Payment terms are automatically 14 days, but you can change it to a longer or shorter time. Late payment interest is automatically 5 per cent and notice period 7 days, but these are also adjustable.

Services and goods consist of your work you have done for your customer. Here you specify all the services and goods, amount, units and unit price. Specify also the starting and ending dates of your work, and whether VAT has been included into the price or not. After filling the



invoice information, approve the invoice and send it to your customer.

Taxes and fees

Private trader's pay taxes in advance as a prepayment tax. The amount of taxes is determined by the yearly profit estimate of the company. If your company has no previous activity, you must estimate yearly profits beforehand for the coming year. The estimate can be updated during the year if it is too small or too high. Profoundly made calculations and a business plan facilitates defining the estimate.

After defining the estimate of profits, the Tax Administration informs you how much you need to pay taxes during the year. Tax invoices will be sent directly to your home, or you can download them from MyTax service. The tax refund works the same as in the Light Entrepreneurship or in any other employment: if you paid too much of taxes, you'll be reimbursed by Vero and if you paid too little, you'll be required to pay more taxes.

Value added tax (VAT) and VAT relief

Finland is part of the European Union and that means VAT. It's added to just about every transaction, whether for a good or service. It's going to be added at some point in the transaction between you and your client. On UKKO, you can specify whether or not the VAT has already been added.

There are several VAT rates for different types of work. If you have not included VAT into your invoicing sum, it will be added on top of the full amount you're charging. So, if you're invoicing 1000€, the total your client may have to pay is 1240€, if your VAT rate is 24%. On your invoice, your client will see the added VAT and will be able to account for it in their own taxes.

Expenses and allowances

If you have bought something that you need in your work, you can add these as expenses to your accounting. For example, if you need

a new computer for your business, add the purchase invoice to your bookkeeping. Read more about how to mark your expenses in the service [here](#).

If you need to travel for your business, you can deduct these expenses if the trips are necessary for your work, and they are temporary. If you travel by your car, you must keep a driving log where kilometers are marked. Kilometers of your business drive must be specified. There is a driving log feature included in the UKKO Private Trader service.

Pricing

UKKO Private Trader service has a monthly pricing, and the cost is based on how much your cumulative turnover is. If your invoicing without VAT is less than 3000 €, your monthly cost is 22 € per month. If your invoicing is 3000 € - 10 000 €, your monthly cost is 44 € per month. Again, invoicing sum more than 10 000 €, the monthly cost is 66 € per month. Over 50 000 €, the cost is 88 € per month. Read more [here](#).

Entrepreneurship school

Whether you are a starting light entrepreneur or a more experienced private trader, the Entrepreneurship school helps you with all the questions or complications related to entrepreneurship. They have hundreds of stories of different entrepreneurs who have told their path how they became entrepreneurs and what they have learned.

There are numerous articles about taxation, marketing, insurances, financial management, pricing etc. From time to time they also organize courses about different themes where you can get a handful of tips to get more customers or price yourself higher. If there is anything you wonder, just look up [the Entrepreneurship school!](#)



Finding work in Finland

You're reading this guide because you want to find work as self-employed. There are hundreds if not thousands of articles, blog posts and podcast episodes about finding, working with and growing your clients. Most, if not all of those strategies will work in Finland. But here are some basics for first time self-employed persons.

Website

Most freelance jobs these days are digital. It's what enables a service like UKKO to exist. But even if you have an office, more often than not you don't have a place to hang your shingle. Meaning, you don't have any place for clients to walk in and see examples of your work.

That's why you need a website. It's the equivalent of your store front. It shows potential clients what services they can get from you and the quality of the work. Your site can even include a price list, but it isn't necessary and may in fact be best left off.

Your website should include your information, folio, contact details and references or reviews from clients. If you have a blog or podcast and think it's relevant to your work or clients, then be sure to include that on your site. Keep the site simple to understand and navigate. Most important of all is make your contact details easy to find.

A website does not have to cost you money. There are plenty of free options out there such as Wordpress, Blogger and Tumblr. There are low-cost options as well such as Squarespace, Wix and Weebly. You can run your own website, but regardless of which option you choose you need to make sure you backup your own work. Cloud-based backups are not enough, as any service could ultimately fail or go out of business.

Portfolio

For the visual arts, your website is going to be your portfolio. Sure, there are plenty of services out there that aim to be the way to share your work, but those sites have limitations. Namely, your clients aren't necessarily on them. Nor do they have all of the features a personal website can when used for business purposes.

Portfolio sites like Behance, Dribbble and Carbonmade are really about sharing your work with your peers. They may have job boards and offer the chance of networking, but they are not geared towards your work being viewed as a business, but rather inspiration for others.

For non-visual arts creators, like writers, having an easily accessible portfolio can be difficult. Yes, many things are posted online, but not all. Plus, the web is not as permanent as many like to think. Links to articles, posts and other creations can be taken down, corrupted or simply be broken because a client has restructured their own site.

Keep copies of what you produced and was published as it may have changed significantly from your first draft. Plus, some content you create may be edited by others over time and not resemble what you original produced.

Regardless of industry, keep up to date with the best practices of your peers when it comes to your portfolio and website. And keep them updated, your old work isn't necessarily your best work or the most relevant for potential clients.

Email

For all of the social media methods out there none is as prevalent as email. Everyone has it. Not everyone uses it well. Self-employed persons need to be better at using it than most, that also means having a good email address. If you were a late adopter to Gmail or another email service, or you have a common name, you do have options other than c00lh4ck3r-dud3@gmail.com.

Most website hosting services include free

email addresses, so if you're paying for the website make the most of the domain and use the address. Google, Microsoft and others also offer paid email services that are bundled with their other enterprise apps.

Email is better than any other method for contractor-client communication because it provides a written record. But it's on you to use it and keep it professional. Your relationship with your clients is the lifeblood of work. If you keep them going and appropriate, you'll keep getting work. Of course, you still have to do good work. When communicating with your clients be sure to keep everything you write about work unless your relationship has become one where you discuss more.

You should also make use of an email signature. It should include your name, website and contact details. This is particularly important in case your email gets forwarded to a new potential client, so they have everything they need to get in touch.

Social media

Social media can be the bane of many self-employed persons. Time lost to reading random articles, playing games or talking to friends is time not spent working or finding new clients. And Facebook is big in Finland, but so are many other social media platforms. It may feel like it's time spent networking, given how small Finland is you may very well run into those people in real life, but the return on investment isn't necessarily quantifiable.

The real question you need to ask yourself before using social media is - Do businesses use social media to find contractors? In Finland, the answer is perhaps no. Small businesses or those just starting may use social media to find people they need. Once they've established a network, they tend to rely on that for work.

Nevertheless, social media like Instagram and other platforms are great places to do marketing and find people who might be interested in your services. If you succeed to tempt quality followers that enhances your visibility and engagement, social media can be a great way to get more customers. Of course, this or any

other way requires a lot of work, persistence and the right tools.

Facebook

Finns overwhelmingly use Facebook for public events, which is a good place to find opportunities for networking. Facebook is full of groups and organizations where you can find clients, partners or colleagues whether it's through the universities, startup groups, or other organizations.

But it's not a good place to do business. Facebook's algorithms constantly change what's prioritized and placed in peoples' feeds. Don't expect to have your work in front of masses of people. There is no secret to viral content other than creating something unique, that has cats.

Still, there are about tens of thousands of different groups in Facebook. Some of them are for entrepreneurs and some for the work you do. Find those groups where you can advertise your services to others in need. In entrepreneur groups other self-employed or entrepreneurs can boost you post or recommend your service to others.

Twitter, Snapchat & Instagram

If Facebook is like passing a noticeboard in your building every day, then Twitter and Snapchat are like going to a bar. There's lots of people having conversations and you can join in any whenever you want but catching up on old topics isn't easy.

Some of those topics may be relevant to your work. With so much freelance work being about staying up to date on the latest trends these platforms can be a great place to do that. But the amount of work to be found on social media is limited at best. Given the public nature of communication on these platforms and the ease that people miss messages, most people still rely on more traditional communication mediums.

If you are interested in online marketing, Instagram is perhaps the best platform for advertising your services as said above. When you are starting for example as a light entrepreneur,

create an account for your work. Follow people from your niche and engage with them daily. Message to people who may be interested in your proposal or are in need of your services. And remember, nothing comes without hard work, so is the online marketing. But if you succeed, in the end it may bring you lot of customers and higher better bank account balance.

Slack, Whatsapp, Messenger, Gchat & other platforms

If your business is directly related to these platforms, then they are practical to your work. If they're not directly related to your work, then you might be wasting your time. Communicating with a client over them may seem practical, Slack more so than some of the other methods, but ultimately these platforms designed for instantaneous communication can be more distracting than helpful.

Instant messages mean people expect instant replies. Which is not the best habit to train your clients in. They would certainly rather you be working on their projects, but it doesn't mean they won't pester you. Keeping your client communication to email means you have a record of their requests if they want changes, that are not included in the contract. Following up on such requests can be difficult in chat-based platforms.

Slack may be the exception. If you are working with more than one person at a company, then having a shared Slack channel can be useful for addressing all of your client's team members. It enables them to stay up to date with changes in the project without having to chase you or their colleagues down for information. The same is true if you're working in with a team of self-employed persons on a project. For one-on-one work it may not be as feasible.

Remember, the communications platform market is very fragmented. Not everyone is on the same service. But everyone does have email and a phone too.

LinkedIn

It's all business on LinkedIn. Or it's supposed to

be. The reality is that for many people LinkedIn is just another social media platform they tentatively use. And only then because they feel that they have to. Part of being a professional means having a LinkedIn profile apparently.

LinkedIn does have a freelance service called "ProFinder". It launched in 2015 but has not reached Europe yet. It is not that different from other freelance services such as UpWork, 99Designs, Fiverr, etc. There's no good data for how much those services are used in Finland.

Anecdotally, the other self-employed persons I know aren't finding work here through them. It's all about their network.

Other methods

Text, whether in an email, instant message or book, is the closest thing we have to telepathy. But it still has its fault. For one, meaning and intent can be easily misconstrued. Everyone can write, not everyone can write well. Which is why you should hire a freelance writer like myself - we make words pretty.

Nor can everyone draw. So, relying on sketches on bar napkins to illustrate a client's wishes can be an exercise in frustration for both you and the client. But that's why we have phones, Skype and Google Meet. There's a lot to be gained from talking with a client directly to either establish a project's criteria or update them on your work. Technology just makes that communication easier because you don't have to always meet face-to-face.

Meeting in person still has its benefits. So don't expect to do everything remotely. Luckily the internet has a wellspring of options when it comes to scheduling meetings. The most common tool in Finland is Doodle, though Finland does have a native option Meetings. There are plenty of other options out there as well. Whichever you choose it can take the headache out of finding a good time to meet your client.

Speaking with your client over the phone, video chat or in person means you need to maintain a professional manner. It's too easy to get into a relaxed state just because you work from home and don't have to wear pants. But this is

your business, and while pants may be optional over video chat, a professional demeanor is still called for. It'll keep your clients happy, respectfully and coming back with more work for you.

Networking

The irony of self-employment is that if you're not working you feel like you should be working. Your time is quite literally money. So, you should either be completing projects or getting new projects. If your current clients don't have any more work for you that means you need new clients.

Finns are stereotyped as being stoic, uncommunicative, and anti-social. That's anything but true. You don't have to get a drink into them to get them talking, but it can help. Meeting Finns is no different than meeting anyone else, it's just a matter of going to where they are.

At this point you're probably saying to yourself, "But where are they?"

The truth

Creating a network from scratch is not going to be easy. If you can, get a job in your chosen industry first, then go freelance and employ yourself. Working for a company will give you plenty of contacts and will grow your network organically and quickly. It'll also prove your skills to others, so they are more inclined to trust you and thus hire you.

Creative agencies may not always be hiring. But they do make good use of self-employed persons. So be sure to connect with them. Provide your folio, website and other details. But also try to make human contact with them. Follow them on social media and attend the events they are. Face time with them is far more likely to make a difference than your folio alone.

Traditional methods

Industry and business specific events and spaces can be found in great abundance in

Finland. Conventions and conferences are held year-round all over the country. They are hosted by universities, organizations, businesses, non-profits and government agencies. As focused as many of these events can be, a large part of them is dedicated to socializing and thus networking.

Most, if not all, of these events can be found on Facebook. Groups such as Finnish Entrepreneurship, Startup Finland and their region-specific equivalents will list upcoming events. They also have very active communities that can be a good source of business contacts and potential clients.

Chambers of Commerce are an often-forgotten resource for self-employed persons. They're older institutions that most people forget about unless they have a brick-and-mortar business. Don't. They're great resources for networking. In an international city like Helsinki, you'll find several chambers, all associated with different countries, not just Finland.

AmCham, formerly known as the American Chamber of Commerce, is one such example. Entrepreneurs, American businesses looking to do business in Finland and Finnish businesses looking to do business in the US are all members. As an immigrant you're in the ideal situation to join such an organization and get the most of their list of members and contacts.

Non-traditional methods

Everything you do that's social means you have an opportunity to find work. Your chances may actually be better at events that aren't focused on your particular industry. Playing sports, taking part in other activities, joining clubs - whatever it is, will be of benefit to your work.

Self-employment can often leave people feeling like they need to be working all the time. Part of that work involves finding new clients. But there's no reason those clients can't have shared interests beyond work. So be it rugby, bowling, ceramics classes, science fiction novels or anything else look for a group to do it with. Finns love their organizations, so you're bound to find one for whatever you interest is.

Children are often an under-utilized resource. It's not that they are going to bring you work. But the parents of their friends and teammates very well may. So, make the most of their school and sport activities to meet people and find potential clients. Just remember to not always be about business, especially if you're at your own kid's event.

How not to be a stalker

It shouldn't have to be said, but hey sometimes people just need a gentle reminder. Don't be a stalker. To make that easier to understand here's a quick checklist of behaviors to avoid.

Don't:

- Insist people talk to you or even acknowledge you,
- Stare unblinkingly into someone's eyes,
- Tell a person everything you know about them,
- Follow them home,
- Follow them around the event, whether at a distance or really close,
- Chase away others from talking or spending time with the person you're interested in, and
- Make unwanted physical contact with the person you're stalking.



Work in Finland

It's time to get to work, now that you've established some relationships with prospective clients. You need to know a few things about work and work culture in Finland before you start, as chances are how things are done in Finland is different than your own country or culture.

Work culture

Finland is a country of consensus. That means everything is discussed and agreed upon. As a self-employed person this can be irritating given an entire department may need or want to weigh in on your work before the client will accept it. This can result in multiple conflicting messages, missed deadlines and other hassles, as the client may not respond quickly. If they are used to working with self-employed persons, then you're likely to not have these problems.

The consensus culture also means there's a limited hierarchy at most businesses. For older, more established businesses this may not hold true. But by and large small and medium enterprises and startups will have limited management levels for you to deal with. Given their generally younger staff, startups may be fun to work with, but you may have to train them on how to deal with a self-employed person like yourself.

Overall, Finland tends to be a place where people are addressed by their first names. If you're making an introductory call or email then it's best to still call someone by their last name, such as Ms. Lindström, until a relationship has been established. Some may say with young people you can start off by addressing them by name, and this may be true but it's always smart to start with a show of respect by calling someone by their title.

References

Finland is one of the most trusting countries in the world, according to the Organisation for Economic Co-operation and Development (OECD) Better Life Index. This is both good and bad for business as a self-employed person. It's good because you can get work with a reference

from someone. A lot of work, and even jobs, are obtained by those with a direct connection to an employer. Whether it's a friend, family member or colleague, having someone refer you to another person will make a huge difference in gaining employment in Finland.

The problem is, as an immigrant and self-employed person, you may not have that network. This means you're less likely to get a job, than someone who has been recommended by a friend. But all it takes is that one job, that first one, to get references and thus more work. This holds true even for those with experience in other countries. No matter how great your work experience is elsewhere, it wasn't in Finland.

Once you've established those working relationships, be sure to maintain them. If your clients don't have work for you, ask if they could refer you to someone who might. There's no harm in doing so, and you're more likely to get work in Finland than you are cold calling businesses or submitting your folio to job postings.

Hours, weekends and holidays

Finnish people work very precise hours. Self-employed persons do not. This can be a blessing and a bane for self-employed persons. If you've got a tight deadline, it can mean you're left alone while everyone else takes off for the day or weekend. But if you need someone to answer some questions or render a verdict on your work then it can be downright frustrating.

Hours and weekends

Lunch hours can range anywhere from 11.30 to 13.30, so don't expect an immediate response during those times. And while the workday may go to 17.00 or 18.00, it's not uncommon to find that few people respond to emails or phone calls after 16.00. Friday afternoons mark the start of the weekend, so hours tend to be shorter than usual, with people becoming even less responsive as early as 14.00.

Holidays

Holidays, like everywhere else, are not times to expect people to get any work done. Things are

even worse during the summer. Finns receive a substantial amount of paid vacation every year, compared to most non-EU countries. Most take that time during the summer, leaving city's empty and businesses largely unattended. Meaning it's not a good time to try and start a business or find new clients. But it is a great time for personal projects or to focus on learning new skills, and of course completing those larger works that come your way.

Most projects will be completed by the time school finishes for the year and everyone goes on vacation. This means you'll have time yourself to go, though it's rare to find a self-employed who feels like they can afford to go on holiday. So be prepared for periods of boom and bust.

How to Price your Services

There is no easy calculation for what you should charge your clients. It's always going to be a combination of what you think you deserve, what the client is willing to pay, the hours worked and what the going rates are, as well as how this project will affect your tax rate. Earn too much and you might be pushed into a higher tax bracket, ultimately reducing the amount you earn for the moment. At the end of the year your taxes will be readjusted and you'll either owe the government or get reimbursed.

Your considerations

If you work hard, you should be paid accordingly. The difficulty in pricing your services as a self-employed comes from know what you should and shouldn't include in that price. Regardless of your industry, by and large clients are not going to have an idea of what you do and all the work it takes. The real exception to this rule is creative agencies, even then you may not be dealing with another creative rather a project manager.

So here are the things you need to consider when estimating your price, before considering your client, going rates and taxes:

- Brainstorming time,

- Preparation, Planning and Research Time,
- Supplies and Additional Resources,
- Hours Worked or Project Deliverables (pages, words, etc.),
- Client Feedback,
- Timelines,
- Rights, and
- Final Deliverable.

Brainstorming

No one wants to pay you to sit around and think of ideas. At least not directly. While that's a large part of creative work it's a difficult thing to include as a line item when invoicing a client. So, this time has to be incorporated, also known as hidden, within other costs.

Preparation, planning and research

Not all projects require much pre-production, so this may not be something necessary to include in your cost estimate and invoice. If it is giving a reasonable amount of time for this. It shouldn't be more than half of the allotted time for the project as clients want to see that they're paying for what they deem "actual work". But it should also be longer than an hour to justify the expense for your client.

Supplies and additional resources

Some projects will require the use of new computer programs, additional resources or supplies that you don't already have. Clients don't want to cover the costs for something that isn't wholly dedicated to their project, so getting them to pay for a new computer program is unlikely. If it's a new URL or print run for their project, then they should of course pay for it in its entirety.

If you are using a new program or tool, the smartest thing to do is spread the cost among a couple of clients or projects. You may not want to list it as a line item on your invoice but include the cost among the hours worked or cost of deliverables. That very same tool or program may be tax deductible as a business expense, so be sure to check what's accepted

by Vero.

Project specific supplies can be included on an invoice sent through UKKO. Be sure to agree with your client what can and will be included and put it in your contract, so you avoid arguments later.

Hour worked or project deliverables

Every self-employed has a difficult choice to make when determining a project's cost - do you bill based on hours worked or project deliverables. Both have their benefits and drawbacks. Clients may be inclined towards one method over the other so stand firm on your choice. Of course, you may find that you need only provide the total cost for a project with nothing else. But in the event that your client wants and itemized invoice you'll have to choose.

The nice thing about billing by hours worked is that they provide an easy way for you to roll extra costs into your invoice. All it takes is increasing your hourly rate and you've spread the cost. It's also a good way to cover brainstorming, preparation, planning and research time as those are generally billed by the hour.

The difficulty comes in calculating the number of hours worked, and then justifying those to your client. Some clients may insist on a record of hours worked, luckily there are a number of apps for just that. Toggl, Hours, Evenhour, Paydirt and Timely are all ways to track your hours. The major problem with some of these apps is that they rely on tracking activity within a particular program like Adobe InDesign, so non-computer-based activities like brainstorming can go unreported.

The other downside to billing based on hours worked comes from the fact that some projects may be completed quickly, even if they are difficult. Ultimately meaning the cost for your client is low and your return isn't necessarily worth the hassle.

Project deliverables such as the number of pages, words, videos, etc. to be produced are ideal for shorter or easier projects. Clients may

prefer this way of billing because there's a direct cost for the work they've requested. The difficulty comes in estimating an appropriate price as one page may be easier to produce than others. Or the client underestimates the amount of time it'll take to produce and so wants to negotiate your price down.

If you're invoicing project deliverables, then you need to set a minimum number to make a project worth your time. The first 10 pages could cost 200€ and every page after that is 25€. If the client only wants to see project deliverables, then you may have to up your base cost to include all the preparation, planning, brainstorming and research time. So that 200€ may now cost 500€, with each subsequent page still 25€. Which in turn can make a larger project appear more cost-effective for your client.

Client feedback

A project is not going to be one draft. It may be multiple drafts. But it's up to you to determine how many drafts and you need to set that in stone before you even begin work. Clients can come to you with constant changes even before you've completed your first draft, wanting to change deliverables or the scope of the project. It's on you to hold firm and remind the client that your contract has already been negotiated.

That's not to say you shouldn't be up for re-negotiation. Rethinking a project is fine if you get paid for the work you've already done. But changing the scope or deliverables as you go is something else. Which is why you should include at least one session for client feedback and have it clearly indicated in your contract. That may look like a round of editing, following requests from your clients.

Client feedback is a tricky thing, as not all clients may know what they want. Or there's a team who's hired you and they provide conflict feedback. Either way, it's your responsibility to clearly establish what the project is and the deliverables before you sign a contract and begin work. Remember to be clear with your client about what you will and won't do and ask them lots of questions to clearly establish what it is they want as well as need. Wants and needs can be two entirely different things.

Timelines

You need to know how long a project is going to take and how long you have to complete a project. The ideal project will be quick to produce but have long deadline, at least for some. Others thrive under tight turnarounds. Regardless, you need to know how much time you'll have.

Clients need to be reminded that if they want to provide feedback and have the project edited then time has to be allocated for that as well. If the client is unable to push back the deadline, then you need to up your price for the quick turnaround. Conversely, a deadline that's further away may mean you can take on other projects so your price may not need to be as high.

This is the balancing act that self-employed persons have to do. It's constant and unchanging. You have to choose between projects, even if you don't feel like you have a choice. Not all work will be good for you given the amount of money you could earn, the time it would take, or the frustration it would cause. All those things need to be weighed when estimating what your bill will be for a client.

Rights

You may produce something for a client, but that does not mean they own it outright. What most clients are doing is paying you to produce something and then licensing it from you. Which means you need to establish what can and cannot be done with your work.

Rights include where and how the work will be distributed, who and what can be changed about the work, and the ever-important attribution. How a work is attributed can vary greatly, so even that is negotiable. And everything has its price, but the basic rule is the more a client controls the more it costs the client. The better option at first may appear to be sell ownership and all the rights of a project to a client. You'll get a bunch of money immediately and be able to eat today. But it's not necessarily the best option for a self-employed.

The downside of giving away rights is that the

client may have no further need of you. They can get some plucky intern who says they know how to do graphic design to update your work. This change could ruin the work of art you created for your client and make you no longer wish to have that work attributed to you.

The upside of retaining rights is more work. If your client wants to expand or revise a project, then they need to come to you to do so. If they don't come back for more work, then you can at least use that project as a basis for other work. In the long run you can earn more money by retaining rights. But those rights need to be established in your contract with your client.

Final deliverable

The final deliverable is a combination supplies, resources, project deliverables, rights, and attribution as well as any production requirements. For some projects you will simply provide your client with the content they asked you to produce. So, it could be the website theme, white paper, video, or anything else.

But some clients are going to want you to handle the publishing of that work. They don't want just the files containing the brochure you've produced; they want you to go to the printer and get it published. This means more work for you, and like everything else you need to be adequately compensated for it. Whatever the final deliverable is, it needs to be included in the contract. The price of the project also needs to reflect the work required in providing the final deliverable.

Client considerations

Your client is always going to want the most work for the least cost. That's why you may have to negotiate. But clients are often beholden to other needs, not just cost, such as time, quality, and resources. So, they are always balancing what they can afford.

It's the classic triangle of choice. A project can be fast, cheap, or good. It can't be all three, and clients will recognize this. Though they may not be happy with it. Which is why some clients can be exceptionally demanding. Therefore, contracts are just as useful for your clients as they

are to you.

Many clients are not the ultimate decision makers on a project, but rather facilitators who reports to someone else in their company. This can result in distortion of the project requirements and feedback. Remember this when meeting with a client and be sure to ask them who is making the decisions. If you establish a good working relationship with them and a clear language for the project you can make your client's job easier when they report to their boss.

Your client may not be versed in the particulars of your industry's lingo. They may not even be very good at speaking whatever language you're communicating in. So, you may want to take the time to explain any terms you use and provide examples. For large projects you may have to walk the client through each element involved in the work, so they comprehend it better. The client is not going to want to pay for this time though. All meetings with clients are not necessarily time lost, but an expense to be rolled into other costs on your invoice.

It's also a good practice to request examples of projects your clients like, to get a better idea of what they want produced. They may provide conflicting information as they are unsure of what elements they like about a particular work, so it can take some work and to establish the style a client is looking for, but it will ultimately make for a smoother working relationship. If the client doesn't know what they want, then provide examples of your own work or other similar projects.

In the end, you are working for the client, but you have your own business to consider. If a client is monopolizing your time without paying you appropriately it may be time to end that relationship or project. The customer is not always right, because the customer does not always know what they want or need. Before you begin any work or sign a contract, take the time to establish the scope of the project to save yourself any hassle later.

Contracts

You need a contract for every job you do. If

you're just getting started as a self-employed in Finland, then having a contract for work can help you get your first tax card. More on tax cards can be found on page 8. Contracts will also make it clear to your clients and you what a project is and what needs to be delivered.

Contracts don't need to be anything special. They don't require a lawyer or notary public to authorize or verify them. Should a relationship with a client go sour contracts are useful in settling disputes if you require arbitration. Otherwise, a contract is simply going to be a very basic project design document. An example contract, that you can use, can be found on page 30.

A good contract should include the following seven things:

- Your name & ID, Tax or Passport Number
- Client's name, Business ID or VAT number, & address
- Work Description & Deliverables
- Timeframe
- Rights
- Payment Terms
- Dates & Signatures

Work descriptions, deliverables, timeframes, and rights are all described in detail starting on page 26. Everything else should be self-explanatory. Even though payment is handled by UKKO, you need to hash out the time by which your client has to pay. Once you've invoiced your client, UKKO can follow up with them if they don't pay by the appointed date.

Get paid upfront for a portion of the work. Don't accept only payment on completion and delivery of the work. And get that in writing. Doing so commits both you and your client to the work, and allows you to pay your rent, eat and buy any tools you need to complete the work. It'll require you to write two invoices, but that's worth the time.

On the next page you'll find a sample contract that you can use. Just fill in the relevant sections and change any details you need to.

Agreement

This agreement is entered between _____ (Passport Number or Tax Number: _____), to be known as “Contractor,” and _____ (Business ID _____) located in _____ to be known as “Client.”

A. Work description

The Contractor will work with the following purpose: _____

The project will meet the following criteria:

- _____
- _____
- _____
- _____
- _____

The project includes _____ rounds of edits. Any additional edits will require further negotiation.

B. Timing

The project will start _____. The first draft will be delivered on _____. The client will return with required edits by _____. The second draft will be delivered on _____. The client’s second series of edits will be returned on _____ and the final will be delivered on _____.

C. Rights

The Client hereby licenses the rights to the completed project and may modify it and distribute it as they see fit. The Contractor must be attributed appropriately in all versions of the document and any future versions.

The Contractor maintains the right to remove their name from the document and future versions of the document at any time. The Contractor may claim creation of the document as long as the Client is attributed appropriately in all and any future versions.

D. Payment

The agreement guarantees the Contractor a payment of _____. The Client will pay the Contractor for the _____ in advance, and the remaining sum upon completion of the work. The Client will have a deadline of _____ days to make the first payment upon the start of the project. The Client will have a deadline of _____ days to make the payment upon the completion of the project.

Signed:

Client Signature & Date

Contractor Signature & Date



Additional Resources

There's a lot of tools and resources out there to aid you in your life as a self-employed that are both online and in the real world. Aside from the already mentioned chambers of commerce, social media platforms, apps.

NewCo Helsinki

In Helsinki, there is NewCo Helsinki. It was originally established as Enterprise Helsinki, in order to support and promote entrepreneurship. NewCo Helsinki provides courses in creating a business, creating a business plan, how to manage accounts and budgets, working for a startup and other areas vital to running a business, as well as networking and job opportunities. It's courses and events are both in Finnish and English which is great for the international community of Finland, sadly they're neglecting the Swedish minority.

NewCo Helsinki has a lot of partners that provide services such as auditing, banking, bookkeeping, insurance, internet, legal, office space, training and more. So, drop in or check out their [website](#). Other cities in Finland offer additional resources, so check with your local university-based entrepreneurship society.

Entrepreneurship societies

Entrepreneurship societies are open to all, not just students or those working in startups. They're a great networking opportunity and often have free events, so look into your local society. Here's a list of Finland's entrepreneurship societies, courtesy of Startup Nation:

- AaltoES,
- ArcadaES,
- BoostTurku,
- HaagaHeliaES,
- HankenES,
- Helsinki Think Company,
- JoensuuES,
- JyväskyläES,
- KuopioES,

- LAMKES,
- LaplandES,
- LaureaES,
- LUTES,
- MetropoliaES,
- MikkeliES,
- OuluSES,
- PatteriES,
- TampereES, and
- VaasaES.

Online resources

Good online resources for self-employed persons include Medium, the blogging platform, and Product Hunt, the site dedicated to discovering new tools. Both have diverse communities with entire sections dedicated to self-employment and the gig economy.

For news and information about startups, self-employment and other relevant information be sure to check out [ArcticStartup](#) and their publication CoFounder. Podcasts are another great way to learn more about what's happening so be sure to check, as there are loads of industry specific ones, and more general ones about self-employment.

Comprised of interviews and analysis the show is a chance to highlight and share all the great things happening in Helsinki as I delve into what makes Helsinki such a hotbed of creative activity.

UKKO has its own Facebook group geared towards helping self-employed persons improve their skills, market themselves and network. You can sign up for UKKO's newsletter when you register with them to find out about news and upcoming features.

UKKO has also [tyontekijojta.fi](#) – a platform where you can connect with clients that are looking for someone to do their project. The website is unfortunately only in Finnish.

Co-working spaces

Self-employment can be lonely as you're often working from home and alone. The benefit is that you don't need to wear pants. But if you like to wear pants and want to be around other

people or simply grow your network then finding a co-working space can do just that. Finland has lots of office locations and not all of it is being utilized, that's why co-working spaces are springing up.

[Mushrooming](#) is the easiest and largest resource to find an independent co-working space in Finland. Friends and companies post their available locations, and you can find a range of options no matter what industry you're in. There's everything from shared working spaces to dedicated desks and private offices to workshops allowing for the use of power tools.

More traditional co-working spaces include Hub13, Microsoft Flux, Startup Sauna, and Mothership of Work in Helsinki. Microsoft Flux and Startup Sauna are free for anyone, though space can be limited. And Microsoft Flux does offer paid options. Hub13 and Mothership of Work have paid options that vary in size depending on your needs. But all of them have plenty of networking opportunities and events to help grow your client list.

If you can't afford to pay for a co-working space, remember that Finland is full of public libraries that you can work from. And when the weather's good you can always work from a park.

Learning opportunities

Part of being a self-employed means making time to develop new skills and take those skills you already have further. Finland has lots of places to take classes and some are online. [Arbis](#) is a great resource for classes of all types.

Other opportunities include Avoin yliopisto, the Open University in Finland, with most of the major universities offering accredited courses online for a small fee. If you're a self-employed but also claiming unemployment, make sure to not take too many courses at one time as you will switch to being a student and lose your unemployment benefits.

The internet offers a range of other opportunities to learn, so check out Udemy, Udacity, EdX, Khan Academy, Codecademy, Coursera,

Skillswise, Free Code Camp and others. Some are free, others offer paid and certified courses. Regardless of your current industry it never hurts to keep learning and it may just open new business opportunities for you as a self-employed.

Thanks

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***Do you still have
some questions?***

We would love to help you!
You can contact us at

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