1.8.2016

PAYMENT OF SALARIES AND PENSIONS AS CREDIT TRANSFERS

The payment date or payday of salaries and pensions refers to the date on which the payment must be credited to the beneficiary's account. This concept of the payment date is not included in the SEPA Credit Transfer standard. Instead of the payment date, a due date (requested execution date) on which the originator's account is debited is given on the payment order. On the basis of the due date, banks can credit all salaries and pensions to their beneficiaries' accounts on the correct payday in all Finnish banks. The due date must be on a banking day preceding the payday.

In particular, it should be noted that if the payday falls on a weekend or a national holiday, the payment must be credited to the beneficiary's account on the preceding banking day, and correspondingly, the due date must be the day before that. For example, if the payday is 15 November, and that year it happens to be a Saturday, the salary must be on the beneficiary's account on Friday 14 November, and the payment due date must be set as Thursday 13 November.

In the payment of pensions, it must be ensured that the payments are allocated to the correct month. Pension payments, too, are adjusted with the due date, which must be the banking day preceding the date of entry in the beneficiary's account. For example, at the turn of the year, the due date is 31 December if the pensions are to be credited to the beneficiaries' accounts on 2 January, due to 1 January being a national holiday.

The payer of the salary is responsible for ensuring that the grounds of employer payments and the reports from payroll software (such as annual notifications) comply with official guidelines. Reporting is currently based on the payment date.

The salary payday practice is also based on the Finnish Payment Services Act, which in turn is based on the EC Payment Services Directive. The Payment Services Act stipulates the maximum delivery time for the payment.

Salaries and payments in the same payment material regardless of beneficiary's bank

A company's payment file can contain salaries and pensions regardless of the beneficiary's bank. The salaries and pensions are credited to the beneficiaries' accounts on the next banking day from the due date.

Processing of salaries and pensions paid as credit transfers

Salaries and pensions are identified with the "SALA" code on the SEPA credit transfer message. In addition to salaries and pensions, other payment-date-based payments (which must be credited to the beneficiaries on the same day regardless of their bank) can also use the "SALA" code.

Based on the agreement made with the beneficiary's bank, the originator's account is debited for the "SALA"-coded credit transfers on the due date. The beneficiaries are credited with the payments on the next banking day also when the beneficiary's account is in the same bank or banking group as the originator's account. The originator is not provided with details of SALA payments due to salary secrecy. The beneficiary's bank may prioritise SALA payments and process them before other credit transfers, if necessary. The beneficiary's bank can also use the SALA code to update the payment flow codes that are significant in terms of the beneficiary's customer relationship, so that the bank can keep track of the arrival of the said customer's salary or pension at the bank.