



## EPASSI SERVICE DESCRIPTION FOR EMPLOYER CUSTOMERS

### 1. Definitions

<b>Epassi</b>	Epassi Finland Oy and its Group company Epassi Clearing Oy together and/or separately, depending on the context.
<b>Employer</b>	The employer-customer ordering services from Epassi.
<b>Employee</b>	The Employer's employee using the Epassi Services.
<b>Service Provider</b>	The seller of different services who has signed a contract with Epassi, who offers services that can be paid with the Payment Instruments.
<b>Epassi Service</b>	Epassi's technical system for payment service maintenance. Epassi offers different methods for using the Epassi Services for different user groups.
<b>Online Service</b>	Epassi's online service at <a href="http://www.services.Epassi.fi">www.services.Epassi.fi</a> which is also the management tool of the parties (for the Employer, the Service Provider and the Employee).
<b>Mobile App</b>	The application downloaded to the mobile phone which functions as the Employees' personal management tool.
<b>Payment Instrument</b>	A payment instrument is a personal instrument or operating method or their combination which can be used for payment orders.
<b>Epassi Payment Instrument</b>	Epassi payment instrument is the Payment Instrument of Epassi, which becomes available for the Employees and other consumers due to deployment of the Epassi systems and/or Service.
<b>Epassi Wallet</b>	Epassi Wallet is the mobile payment and/or payment processing service operations provided by Epassi Clearing and/or its Partner or jointly by them which are offered to the Employees and/or consumers.
<b>Employment Benefit Payment Instrument</b>	The employment benefit payment instrument refers to a targeted non-taxable or tax-subsidised Payment Instrument for employee benefits or other fringe benefits intended for the Employer's Employees, the use of which is limited to certain pre-determined purposes of use.
<b>General Payment Instrument</b>	A general payment instrument is the payment instrument that is used by consumers when using the Epassi Wallet services for payment orders.



## **Background information about partly or fully non-taxable employee benefits and their payment**

Employers can offer their employees employee benefits which can also be partly or fully non-taxable. In order to offer these benefits for their Employees, the benefits must be offered in accordance with the Tax Administration's valid official instructions. The Tax Administration's instructions and decisions are used to define 1) targeted payment instruments and 2) their use purposes. It must always be possible to identify the Employee as the recipient of the tax benefit and the used service as the target of use. It is also not possible to exchange the Payment Instrument for cash, and giving change in cash is not possible when paying with the Payment Instrument. Only in this way, the prerequisites for the non-taxability of the employee benefit are fulfilled.

Currently valid Tax Administration's instructions are available on the Tax Administration's website.

The Epassi Service is a payment processing service for employee benefits. It consists of targeted electronic Payment Instruments. For Employers, the Epassi Service enables the management, distribution, monitoring and use of the employee benefits and, for the employee benefit end users or Employees, the use of targeted Payment Instruments.

The Epassi Service can be used for the management, distribution and use of a lunch, sport and culture, commuting and different wellbeing benefits as well as for the monitoring of the use volumes of the benefits. The benefits are managed in the Online Service.

The Epassi product family currently consists of the following targeted solutions for the management, distribution and use of the employee benefits offered by the Employers:

- Meal benefit (product name: Epassi Lunch)
- Exercise and culture benefit (product name: Epassi Sport and Culture)
- Commuting benefit (product name: Epassi Commuting)
- Wellbeing benefit (product name: Epassi Wellbeing) and
- Combination service (product name: Epassi Flex)
- Targeted benefit for the acquisition of ergonomic products for the workstation, working clothes and shoes as well as personal protective equipment (product name: Epassi ErgoSafe)

## **Background information about other methods of payment with the Epassi Services**

The Employee can also use the following product family products in the Mobile App by activating them through Epassi Wallet:

- Epassi payment processing functionalities (product name: Epassi MyMoney)
- The Payment Instruments of Epassi's valid Partners so that Epassi operates as the payment processing service provider.



## 2. Epassi Service for Employers

The Employer manages the offered employee benefits in the Online Service. In the Epassi Service, it is also possible, if necessary, to enable automatic benefit management in the Employer's HR system through a communication link established between the HR system and the Epassi Service pursuant to a separate contract.

## 3. Epassi Service for Employees

For Employees, the Epassi Service functions as a targeted personal Payment Instrument for paying for services covered by the benefits. The Employee can also monitor their personal benefit balances in the Online Service and Mobile App. The benefits can be used at all times.

## 4. Epassi products

### A. Employment benefits

These products refer to the Employee's payment transactions which are made using the balances uploaded to be used for the employment and fringe benefits offered by the Employer. The Employee can only use the Employment Benefit Payment Instruments for paying for services provided by a Service Provider who has signed a contract on the payment reception with Epassi. The Epassi Service includes the following payment processing services for the Employment Benefit Payment Instruments in Epassi's contract service provider's merchant location network.

### Epassi Lunch

Epassi Lunch is an Employment Benefit Payment Instrument for the tax-deductible meal benefit offered by the Employer.

The Employer can choose either the 1) Open payment method or 2) Contract Lunch or 3) Hybrid model, in other words, a combination of methods 1) and 2).

In the Open payment method, Epassi Lunch can be used throughout Epassi's restaurant network. The payment is made using a mobile phone, either with the Mobile App or by SMS. When separately agreed with the Employer, the payment can also be made with Epassi's contactless payment device.

In the Contract Lunch model of Epassi Lunch, the Employer defines in advance the contract restaurants available to the Employee. The price of the Contract Lunch can be agreed between the Service Provider and the Employer (the price may vary between EUR 6.90–10.90).

In the Hybrid model of Epassi Lunch, the Employee can freely choose a contract lunch restaurant or another restaurant, in which case the Epassi Service ensures that the monetary transactions are correctly implemented and treated in terms of taxes as well as reported in accordance with the requirements.



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In the Hybrid model, the staff canteen of the Employer, for example, may function under the Contract Lunch model, but the Employee can also use all other restaurants in Epassi's restaurant network with the Open payment method.

### **Epassi Sport and Culture**

Epassi Sport and Culture can be used as a Payment Instrument in all Epassi's merchant locations providing exercise and culture services which have been registered as Epassi's merchant locations or which supply exercise and culture services. With the combined Epassi Sport and Culture, it is possible to buy both exercise and culture services. Alternatively, the Employer can also choose to adopt only Epassi Sport or Epassi Culture as the Payment Instrument (with itemisation).

The itemised Epassi Sport is especially meant for exercise services, in other words, it cannot be used for culture services. Epassi Culture can be used as the Payment Instrument for culture services as well as exercise services.

### **Epassi Commuting**

Epassi Commuting can be used in all the registered merchant locations that approve Epassi Service's Epassi Commuting as a Payment Instrument. Epassi Commuting can be used to pay for personal tickets included in authorised travel services sold by the merchant location. The payment is made at the cash register of the merchant location on the basis of the Employee's own mobile phone number.

### **Epassi Wellbeing**

Epassi Wellbeing is an Employment Benefit Payment Instrument for tax-deductible wellbeing benefits offered by the Employer. Through Epassi Wellbeing, the Employer can provide their Employees with wellbeing services outside the occupational health care in accordance with the Tax Administration's valid instructions and decisions concerning Employee benefit taxation. The Employer must define the content of the services included in the benefit in connection with the deployment.

- a. The deployment of the Epassi Wellbeing service requires that the Employer has signed a contract with the Service Provider. Epassi acts in this contractual relationship as the targeted payment instrument provider and invoicing party on behalf of the Service Provider.
- b. If the Employer has not signed a separate contract with the Service Provider, the Employer may authorise Epassi to conclude a contract on the use of the services in Epassi's wellbeing network between the Service Provider and the Employer in accordance with the service restrictions defined in the Employer's remittance. The service restrictions and validity of the said contract are available to the Service Provider in connection with the payment transaction in the Service when using Epassi's Payment Instrument.

The Employer must ensure in advance, in accordance with the Tax Administration's instructions, that the offered health care services have been recorded in its occupational health care plan.

### **Epassi ErgoSafe**



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Employers can participate in the acquisition of tools and equipment for their Employees by paying for them either partly or fully depending on their purpose and requirements related to the wellbeing and safety at work.

The Employer may grant the Employee an ErgoSafe balance to buy ergonomic products and furniture and other products related to working from a designated merchant. The received balance does not belong to the Employee, but is the Employer's property. A product paid in this way is, therefore, the property of the Employer. If the product is related to remote working, the Employer lends the product to the Employee. If the employment relationship ends, the Employee must return the product to the Employer or, if permitted by the Employer, the Employee may redeem the product at fair value.

### **Epassi Flex**

Epassi Flex is a combination service of the aforementioned benefits (excluding Epassi Lunch and Epassi ErgoSafe). With Epassi Flex, the Employer can grant one benefit balance sum (per Employee) and select for which benefits the Employee can use it. In other words, the Employee can freely choose how and in what proportion they use their benefit balance in euros. However, the Employee is only allowed to use the benefits within the scope of the Tax Administration's valid instructions and decisions, which set the absolute maximum for the amount of benefits.

The Epassi Flex system ensures that it is not possible to use individual benefits so that they exceed the maximum amount defined in the Tax Administration's instructions and decisions.

Some of these services require that the Employer has signed a separate contract with the Service Provider. If the Employer has not signed a separate contract with the Service Provider, the Employer may authorise Epassi to conclude a contract on the use of the services in Epassi's wellbeing network between the Service Provider and the Employer in accordance with the service restrictions defined in the Employer's remittance. The service restrictions and validity of the said contract are available to the Service Provider in connection with the payment transaction in the Service when using Epassi's Payment Instrument.

The Employer must ensure in advance, in accordance with the Tax Administration's instructions, that the offered health care services have been recorded in its occupational health care plan.

### **B. Other products**

These products refer to the Employee's payment transactions which are not made using the balances uploaded to be used for the employee and fringe benefits by the Employer. The Epassi Service includes the following payment processing services in the Service Provider's network of merchant locations.

### **MyMoney service**

With the MyMoney balance, it is possible to pay for any products and services in the network of Epassi Service Providers using Epassi Wallet. Excess shares of the Employee may also be charged to the Employee's MyMoney account. In order to allow these charges, the Employee can upload balance on their MyMoney account in advance. Balance is uploaded in the Epassi Service. The Employee may request that the balances



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uploaded on the MyMoney account are refunded in the Online Service. We always charge a fee in accordance with the valid price list for the refund.

The deployment of the MyMoney service as well as other Epassi Wallet functionalities requires strong identification as well as the fulfilment of other customer obligations related to payment services from the Employee (including, for example, strong identification of the customer, i.e. so-called KYC obligations as well as procedures preventing money laundering).

### **Paying with the Finnair Plus membership points**

Epassi users can add their Finnair Plus membership points to their Epassi Mobile App. With the points, it is possible to pay for any products and services in Epassi's contract service provider network. When paying with the points, the Mobile App automatically converts the points into euros in a proportion defined by Finnair and Epassi. The recipient of the payment sees the selling price in euros in the receipt, similarly as with the payments made using the MyMoney balance.

### **Partner's Payment Instruments**

Services or service functionalities of cooperating third parties who have signed a contract with Epassi Clearing Oy are available in Epassi Wallet. The Employee can start using these General Payment Instruments in Epassi Wallet. These General Payment Instruments are exclusively used for products and services sold within the scope of the main business reported by the Service Provider.

## **5. Payment methods**

The Employees can use different payment methods. The payment methods are described in detail on Epassi's website at <https://www.Epassi.fi/fi/tyontekijalle#maksutavat>

## **6. Service Providers and Epassi's merchant locations**

The merchant location network of the Epassi Service includes a great number of Service Providers around Finland.

There is a merchant location search functionality in Epassi's Online Service which shows all the Service Providers included in the network in real time. The payment methods available for the Employees are also provided in the merchant location information. The Employer may also deliver a list of desired merchant locations to Epassi's Customer service, after which Epassi can contact the merchant locations in question and try to conclude a contract on the deployment of Epassi.

The merchant location network grows as a result of the proposals from users and Service Providers. In addition, Epassi acquires merchant locations proactively. End users of the Service can send proposals for new merchant locations.

Epassi has signed a payment processing contract required by the valid Income Tax Act and Tax Administration's valid instructions on obtaining fringe and employee benefits using targeted payment instruments with all merchant locations.



## 7. Registering with the Epassi Service and use of the service

The Employer is registered in the Online Service. In connection with the registration, the Employer provides its contact information and defines which benefits are distributed to the Employees and related payment rules. The frequency of distributing benefits and possible part-time rules affecting the distribution are specified when deploying the Service.

The Employer can set their own IDs. The Employer has one (1) user account with one (1) appointed main user.

## 8. Employer's user interface and control panel

The Employer's control panel will open when logging in to the Online Service with the Employer's IDs. All Epassi's management and monitoring reporting tools are available in the control panel.

The benefits and the Employee information can be managed and statistics and invoicing monitored through the control panel. In addition, the control panel provides the Customer service for the Employer (see section 13).

The following functionalities are available to the Employers through the control panel.

- a) HR interface

An Employer utilising the data transfer interface can submit new information about its Employees, their changed information or information about Employees who are no longer covered by the benefits by using an agreed secure data transfer protocol and file format to the Epassi Service.

- b) Through the Online Service

Employees and their information can be entered in the system through Epassi's Online Service. The benefits to be deployed for the Employee can also be selected at the same time.

The following information can be maintained in the Employee information:

- The name and mobile phone number are mandatory information.
- Providing the email address is recommended. It enables the following:
- Service relationship maintenance, management, development, quality assurance, general communication, customer service, implementation of the operations and service and reporting
- Implementing the electronic communications and marketing related to Epassi's products which are a relevant part of the use of the Service. (changes in the functionality of the Service, new features, new merchant locations, interruptions)

The Employer can, if it so wishes, provide the following information concerning their Employees:

- ID, i.e. the identification number given to the Employee by the Employer.



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- The Employer can specify the organisation's internal units to which the Employees are divided (the units may have any meaning defined by the Employer). A unit can be, for example, a cost centre or section of the organisation to which the Employee belongs.
  - o The purpose of the unit is to enable reporting, for example, by cost centre or location.
  - o This is a statistically differentiating factor which is one of the use report search criteria.
- Place or location where the Employee works.
  - o This is a statistically differentiating factor which is one of the use report search criteria.
- The Other information field can be used to provide any information specified by the Employer that they wish to differentiate statistically.
  - o This is a statistically differentiating factor which is one of the use report search criteria.

The following information related to the employment relationship can also be managed in the Employee information:

- The activation date of the Employee, in other words, the day when the granted benefits enter into force. For example, the day following the trial period or the day when the fixed-term employment relationship begins.
- The suspension date of the Employee, in other words, the day when the use of the benefit is suspended although the Employee is not removed from Epassi. The Employee can be reactivated.
- The termination date of the employment relationship, in other words, the last day when the benefit is valid. After this, the Employee is no longer entitled to the benefits and unused balances are set to zero. In this case, the Employee is removed from the Epassi system.

*A reporting interface for transferring customer company's salary deduction information to external systems:*

In order to facilitate and automatise the management of the benefits used by the customer company, a separate contract can be signed to specify and implement an interface that can be used to transfer possible salary deduction information from the Epassi system to the customer's own systems, such as the payroll. The interface is file-based and functions in the same way as the synchronisation of the customer company's user information with the Epassi system.

## 9. Processing of the deductible

The processing of the deductible of the benefits in the Epassi Service can be done in three different ways.

### 1. MyMoney model

The Employee uploads balance to the Epassi Service by themselves. In this way, the Employee receives the right amount of benefit use balance against the deductible, which can be used to make payments in Epassi's merchant location network. The salary deduction process is not needed when using the MyMoney model.

### 2. Salary deduction through the interface

For the deductible, it is possible to deploy an interface that can be used to transfer possible salary deduction information from the Epassi system to the Employer's own systems or systems specified by the Employer





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(such as the payroll). The interface is file-based and functions in the same way as the synchronisation of the customer company's user information with the Epassi system.

### 3. Salary deduction through a report

The Employer can retrieve a benefit-specific report concerning a desired period through the control panel section "Statistics" of the Employer's Epassi Service and transmit this information to its payroll to be deducted from the Employees' salaries.

## 10. Statistics and reporting

The Employer can retrieve detailed, itemised reports of uploaded and actually used benefit value and monitor realised invoicing in real time in the Online Service. The Employer can view the statistics by periods, benefits and Employee. The Online Service offers different reporting functionalities which can be used to categorise Employer-specific information.

Group and chain level reporting:

The Employer can join several companies into a chain, in which case the corresponding reports are available also in the group and chain level.

Generating unit- or municipality-specific reports or reports based on other information requires that unit- and municipality-specific information has been added to the Employee's information. Unit-specific monitoring enables effective control of the impact of the employee benefits by comparing the report with other information generated by the HR system.

Available invoicing reports for budgeting purposes are:

- Benefit use in the current year and the invoiced amount; and
- Balance possibly carried over from the last year and the remaining balance.

## 11. Service deployment by the Employee

Epassi sends instructions on how to activate and log in to the Epassi user account to the Employee who has been added to the benefit group via email or SMS. The information is sent to the Employee when the Employee has been added to the system as a person entitled to the benefit(s).

The Employee checks the correctness of their user information and mobile phone number when logging in to the Epassi Service for the first time.

It is possible that the Employee's account is either removed or temporarily closed, in which case the Epassi Service cannot be used. Information about the removal or closure of the Employee's Epassi account is delivered to the Epassi Service as an export file or manually in the Employer's online service.

The Employee can monitor their benefit-specific balances in real time in the Online Service or Mobile App by logging in using their own ID service. The Customer service for the Employee is also included in the Service. More detailed information about the Customer service has been provided in Epassi's Terms of Use which the



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Employee must approve when deploying the Mobile App. The Terms of Use are also available on Epassi's website at [www.Epassi.fi/terms-of-use](http://www.Epassi.fi/terms-of-use).

The Employee entitled to the benefit or benefits can use their balance in merchant locations included in the Epassi's network using the valid payment methods.

### **12. Epassi's Customer service for Employers**

The Employer is appointed an Account Manager, whom the Employer's contact person can contact about contractual matters.

Epassi's Aftersales Team provides assistance with matters related to the use of the Epassi Service: [aftersales@Epassi.fi](mailto:aftersales@Epassi.fi).

Epassi's Customer Service helps the Employer with matters related to the use of Epassi and its merchant location network. Telephone number of the Customer Service: 0200 69 000

Support requests can also be submitted online at <https://support.epassi.fi/en/support/home>.

### **13. Communication and guidance**

The Employer is responsible for communicating the benefits to the Employees who are within the scope of the benefits in the jointly agreed timeframe. Epassi supports the Employer in the service-related communications. Epassi delivers the instructions on the use of the Epassi Service intended for Employees to the Employer.

The Employer is responsible for communicating the Epassi Service deployment, changes and other issues essentially related to the Service to its Employees. Epassi provides assistance in preparing notifications, if necessary. Epassi guides, with the help of the Employer, the Employees in using Epassi's different payment methods in a flexible and effective way.

Epassi guides and supports the Employer in communications related to exceptional situations, if necessary.

### **14. Epassi Service development**

Epassi continuously develops its services. The Epassi Service, Mobile App and Online Service are developed to respond to the changing needs related to the data protection requirements, authority instructions and user-friendliness.

### **15. Maintenance breaks**

The Epassi Service's maintenance breaks typically take place 2–4 times a year and last usually approximately 1–2 hours. The aim is to place maintenance breaks at times that are not busy and announce them well in advance.



## 16. Registers and information security

The most recent information security threats and information security instructions have been considered when implementing the application. Epassi actively and carefully follows the development of the legislation and develops its services to respond to possible new interpretations.