



# POCKET STATISTICS 2008

# 2008

## THE FINNISH CENTRE FOR PENSIONS **POCKET STATISTICS**

### CONTENTS

■ Social security	2
■ Pension expenditure	4
■ Population	5
■ Insurance for earnings-related pension benefits	6
■ Pension beneficiaries	9
■ Persons having retired	14
■ Part-time pensions	15
■ Disability pensions	16
■ Rehabilitation	17
■ Effective retirement age	18
■ Time in retirement and work while drawing a pension	19

\* Preliminary figure or estimate

Inquiries:  
Finnish Centre for Pensions  
Statistical Department  
Katariina Käkönen  
katariina.kakonen@etk.fi

In broad outline, the **Finnish pension system** consists of the statutory earnings-related and the national pension scheme as well as certain acts enacted against specific risks. All employees, self-employed persons and farmers are covered under the statutory earnings-related pension scheme and all permanent residents of Finland fall within the scope of the national pension scheme.

At the end of 2007 more than 90 per cent of all 1.39 million pension recipients received a statutory earnings-related pension and 50 per cent a pension under the national pension scheme. More than 40 per cent of all drew a pension from both schemes.

The **pension benefits** include old-age, disability, unemployment, part-time and survivors' pensions. Pensions are paid also under the special acts for farmers.

The **statutory earnings-related pension scheme** is divided into the private and the public sector. The private sector employs three-fourths of the labour force and the public sector one-third. Annually the proportion of people working in both sectors is approximately 7%. Every seventh of the labour force in the private sector is a self-employed person.

Since 1 January 2007 the pension acts which cover private-sector employees are TyEL and MEL. Self-employed persons have their own pension acts, YEL and MYEL. The main pension acts in the public sector are KuEL, VaEL and KiEL.

The **Finnish Centre for Pensions** is the statutory centre for the Finnish earnings-related pension scheme. Its functions pertain to the development of the scheme, maintenance of registers, advisory and supervisory activities, research, statistics and information.

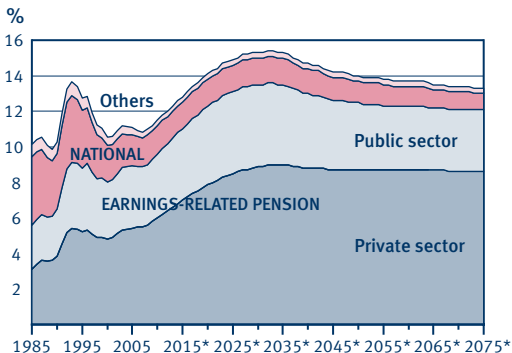
The Finnish Centre for Pensions is the liaison body for earnings-related pensions matters within the EU, as well as for the implementation of other agreements on social security.

## ■ PENSION EXPENDITURE, SOCIAL SECURITY EXPENDITURE AND GROSS DOMESTIC PRODUCT

	Pension expenditure	Social security expenditure	Gross Domestic Product	Pension expenditure/ Social security expenditure GDP	
	mill. €	mill. €	mill. €	%	%
1990	9 562	22 101	89 747	43.3	10.7
1995	12 606	30 200	95 916	41.7	13.1
2000	14 351	33 142	132 272	43.3	10.8
2001	15 179	34 831	139 868	43.6	10.9
2002	16 085	36 910	143 974	43.6	11.2
2003	16 735	38 716	145 938	43.2	11.5
2004	17 327	40 567	152 345	42.7	11.4
2005	17 883	42 001	157 335	42.6	11.4
2006*	18 636	43 798	167 041	42.5	11.2
2007*	19 552	45 320	178 759	43.1	10.9

Source: Ministry of Social Affairs and Health, and Statistics Finland

## ■ PENSION EXPENDITURE OF GROSS DOMESTIC PRODUCT

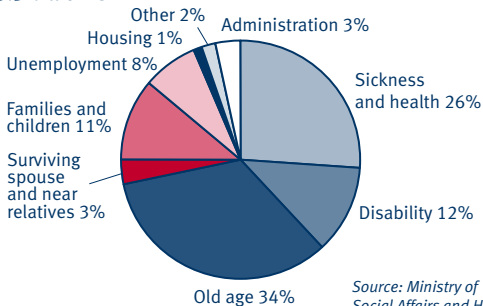


■ **SOCIAL SECURITY EXPENDITURE OF GDP IN THE NORDIC COUNTRIES AND IN CERTAIN EU COUNTRIES, %**

	1990	1995	2000	2004	2005*
Finland	25.1	31.5	25.1	26.6	26.7
Sweden	33.1	34.3	30.7	32.7	32.0
Denmark	28.2	31.9	28.9	30.9	30.1
Norway	26.2	26.5	24.4	25.9	23.9
Iceland	17.1	18.9	19.2	22.6	21.7
Estonia	..	..	14.0	13.1	12.5
France	27.4	30.3	29.5	31.3	31.5
Germany	25.4	28.2	29.3	29.6	29.4
Greece	22.9	19.9	23.5	23.6	24.2
Italy	24.7	24.2	24.7	26.0	26.4
Netherlands	31.1	30.6	26.4	28.3	28.2
Spain	19.9	21.6	20.3	20.6	20.8
United Kingdom	22.9	28.0	26.9	26.3	26.8

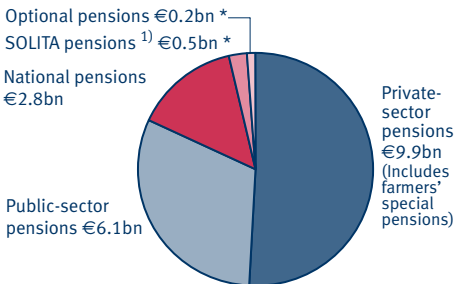
Source: Eurostat

■ **SOCIAL SECURITY EXPENDITURE BY MAJOR ITEMS, 2007 \***  
45.3 billion €



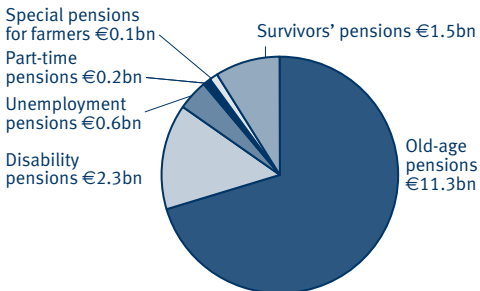
Source: Ministry of Social Affairs and Health

■ **TOTAL PENSION EXPENDITURE, 2007**  
**19.6 billion €**



1) Pensions under the Employment Accidents Act, Motor Liability Insurance Act and Military Injuries Act.

■ **EARNINGS-RELATED PENSION EXPENDITURE BY PENSION BENEFIT, 2007**  
**16.0 billion €**



In addition, optional pensions paid amounted to €0.2 billion.

■ **POPULATION STRUCTURE DURING THE YEARS  
1990–2030, %**

Age	1990	2000	2007	2010*	2020*	2030*
0–14	19	18	17	16	17	16
15–64	67	67	67	66	60	58
65–	14	15	17	18	23	26
Population, 1,000 persons	4 998	5 181	5 300	5 357	5 547	5 683

Population residing in the country.

Source: Statistics Finland

■ **POPULATION AGED 18 AND OVER BY ACTIVITY IN 2006\***

	Males 1,000 persons	Females 1,000 persons	All 1,000 persons	%
<b>Labour force</b>	<b>1 310</b>	<b>1 248</b>	<b>2 558</b>	<b>61</b>
- employed	1 181	1 129	2 310	55
- unemployed	129	119	248	6
<b>Outside the lab. force</b>	<b>712</b>	<b>907</b>	<b>1 619</b>	<b>39</b>
- students	110	126	236	6
- pensioners	520	674	1 194	29
- others	83	107	190	5
<b>Total</b>	<b>2 022</b>	<b>2 155</b>	<b>4 177</b>	<b>100</b>

Source: Statistics Finland

■ **REMAINING AVERAGE LIFE TIME IN 2006, YEARS**

	0 yrs	15 yrs	40 yrs	55 yrs	65 yrs	80 yrs
Males	75.8	61.2	37.5	24.4	16.8	7.4
Females	82.8	68.2	43.7	29.7	20.9	9.2

Source: Statistics Finland

■ ALL INSURED PERSONS AGED 18–68 YEARS 31.12.2006

	Males	Females	All
Persons covered by social insurance <sup>1)</sup>	1 771 330	1 749 404	3 520 734
Persons covered for earnings-related pension benefits	1 762 938	1 719 872	3 482 810
- pension recipients	283 354	288 126	571 480
- do not receive a pension	1 479 584	1 431 746	2 911 330
- private sector	1 682 937	1 471 773	3 154 710
- public sector	676 525	1 059 061	1 735 586
- both sectors	596 980	811 545	1 408 525

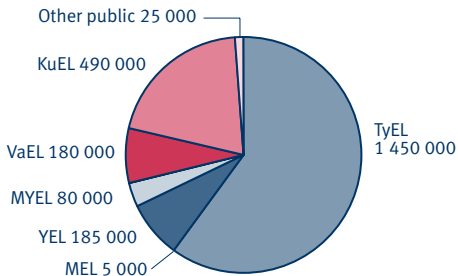
<sup>1)</sup> Population aged 18–68 insured by the Social Insurance Institution (Kela). *Source: Kela*

■ PERSONS AGED 18–68 WORKING AS EMPLOYEES OR SELF-EMPLOYED PERSONS IN 2006

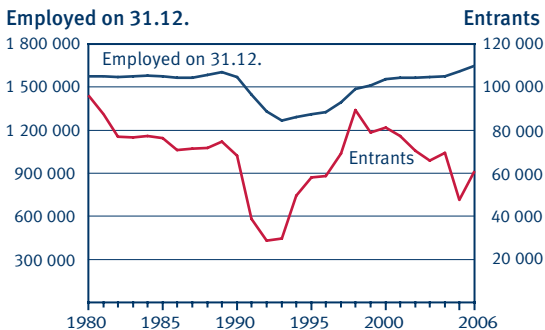
	Males	Females	All
All	1 344 511	1 304 741	2 649 252
- in employment 31 Dec.	1 158 618	1 100 373	2 258 991
- not in employment 31 Dec.	185 893	204 368	390 261
Persons in employment 31 Dec. by sector			
- private sector	991 384	658 824	1 650 208
- public sector	193 469	472 769	666 238
- both sectors	26 235	31 220	57 455



■ **POPULATION INSURED FOR EARNINGS-RELATED PENSION BENEFITS, 31.12.2007\***



■ **PERSONS EMPLOYED IN THE PRIVATE SECTOR AND PERSONS COVERED BY PRIVATE-SECTOR EARNINGS-RELATED PENSION PROVISION FOR THE FIRST TIME DURING THE YEAR (ENTRANTS)**



In 1980–2004 persons aged 14–64, in 2005–2006 persons aged 18–67.

■ **CONTRIBUTION-% IN 2008, PREMIUMS WRITTEN, PENSION EXPENDITURE AND PENSION ASSETS IN 2007, mill. € \***

	Average contribution rate	Premiums written	Pension expenditure	Pension assets 31.12.2007
TyEL	21.1	9 620	8 426	82 725
MEL	22.0	56	123	734
YEL	20.6	655	658	145
MYEL	10.6	140	564	26
<b>Private sector</b>	.	<b>10 470</b>	<b>9 771</b>	<b>83 630</b>
VaEL	24.7	1 570	3 185	12 051
KuEL	20.4	3 572	2 665	24 325

The contribution includes both the employer's and the employee's share of the contribution.

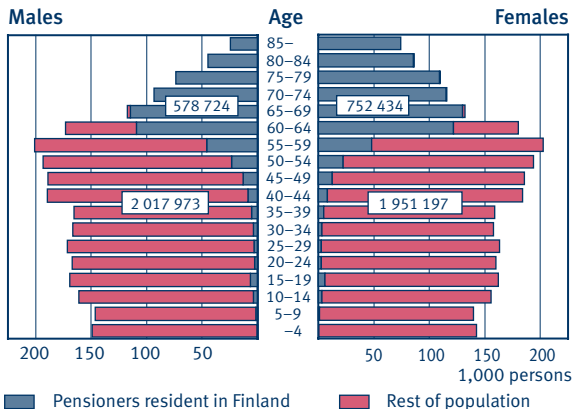
The contribution percentages and premiums written do not include the share of self-employed persons', seamen's and state employees' pensions financed from the national budget or the contribution paid by the Unemployment Insurance Fund. The contribution rate for KuEL does not include the contribution levied on the basis of the pension expenditure.

The euro amounts for the private sector include both basic and registered supplementary pensions.

■ **INDICES FOR THE EARNINGS-RELATED PENSIONS**

	Fifty-fifty index		Earnings-related pension index		Wage coefficient	
		Change, %		Change, %		Change, %
2005	2 191	1.9	2 047	0.9	1.028	2.8
2006	2 246	2.5	2 081	1.7	1.063	3.4
2007	2 311	2.9	2 127	2.2	1.100	3.5
2008	2 363	2.3	2 178	2.4	1.124	2.2

**AGE STRUCTURE OF THE WHOLE POPULATION <sup>1)</sup> AND PENSION BENEFICIARIES 31.12.2007**



<sup>1)</sup> Population insured by the Social Insurance Institution (Kela). *Source: Kela*

**PROPORTION OF POPULATION RESIDING IN FINLAND DRAWING A PENSION IN THEIR OWN RIGHT, %**

Age	16-19	20-34	35-44	45-54	55-59	60-64	All <sup>1)</sup>
1985	0.9	1.9	3.7	10.5	35.6	63.0	25.2
1990	0.8	1.8	4.1	10.4	36.8	76.0	27.3
1995	0.8	1.7	3.9	9.3	31.3	79.0	27.6
2000	0.6	1.6	3.5	8.8	21.7	72.8	27.4
2005	0.4	1.7	3.6	8.5	19.4	61.9	28.2
2007	0.5	1.7	3.6	8.2	19.0	56.7	28.7

<sup>1)</sup> All persons over 16 years.

The number of pension beneficiaries does not include part-time pension beneficiaries.

## ■ ALL BENEFICIARIES BY PENSION BENEFIT

	Old-age pension	Disability pension	Unemployment pension	Survivors' pension	All <sup>1)</sup>
1980	610 095	274 751	14 797	167 277	1 023 513
1985	661 013	261 277	54 033	195 503	1 081 889
1990	737 154	300 932	55 486	223 211	1 160 983
1995	804 061	309 504	39 147	260 165	1 219 747
2000	869 672	276 269	54 291	281 273	1 284 145
2005	940 037	269 428	50 933	287 454	1 356 286
2007	978 278	271 624	50 263	287 888	1 389 832

<sup>1)</sup> The column All includes farmers' special pensions and also part-time pensions from 1990 onwards, benefits in old age in 1980, child care benefits in 1980 and 1985 and front veterans' benefits in 1980–1995.

## ■ ALL BENEFICIARIES BY PENSION BENEFIT AND GENDER 31.12.2007

Pension benefit	Males	Females	All
<b>Old-age pension</b>	<b>402 699</b>	<b>575 579</b>	<b>978 278</b>
<b>Disability pension</b>	<b>143 563</b>	<b>128 061</b>	<b>271 624</b>
- until further notice	131 308	114 290	245 598
- cash rehab. benefit	10 820	12 154	22 974
- indiv. early ret. pen.	1 536	1 847	3 383
<b>Unemployment pension</b>	<b>23 398</b>	<b>26 865</b>	<b>50 263</b>
<b>Special pen. for farmers</b>	<b>12 102</b>	<b>17 214</b>	<b>29 316</b>
<b>Part-time pension</b>	<b>13 596</b>	<b>16 392</b>	<b>29 988</b>
<b>Survivors' pension</b>	<b>47 674</b>	<b>240 214</b>	<b>287 888</b>
- surviving spouses	35 420	227 980	263 400
- children	12 254	12 235	24 489
<b>All beneficiaries</b>	<b>602 570</b>	<b>787 262</b>	<b>1 389 832</b>

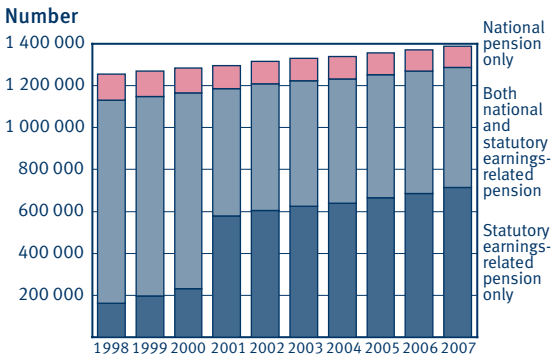
A person may simultaneously receive several different pension benefits.

## ■ ALL BENEFICIARIES BY PENSION SCHEME 31.12.2007

	Males	Females	All
<b>Statutory earnings-related pension</b>	<b>561 644</b>	<b>725 294</b>	<b>1 286 938</b>
- private sector	502 092	609 703	1 111 795
- public sector	206 388	364 613	571 001
- both sectors	146 836	249 022	395 858
<b>National pension (Kela)</b>	<b>234 617</b>	<b>441 304</b>	<b>675 921</b>
<b>All beneficiaries</b>	<b>602 570</b>	<b>787 262</b>	<b>1 389 832</b>
- earnings-related p. only	367 953	345 958	713 911
- national pension only	40 926	61 968	102 894
- both earnings-related and national pension	193 691	379 336	573 027

A person may simultaneously receive a pension under several pension acts.

## ■ ALL PENSION BENEFICIARIES BY PENSION COMPONENT



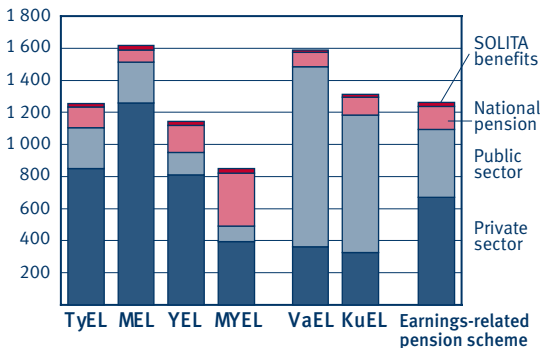
■ **AVERAGE OVERALL PENSION OF BENEFICIARIES RESIDENT IN FINLAND DRAWING A PENSION IN THEIR OWN RIGHT 31.12.2007**

	Males	Females	All
<b>Average pension €/month</b>	<b>1 406</b>	<b>1 101</b>	<b>1 235</b>
- share of the earnings-related pension	1 234	882	1 036
- share of the national pen.	143	202	176
- share of the SOLITA pen.	29	17	22
<b>Number of pension beneficiaries</b>	<b>547 993</b>	<b>697 946</b>	<b>1 245 939</b>

The numbers do not include persons drawing a part-time pension.

■ **AVERAGE OVERALL PENSION OF BENEFICIARIES DRAWING A PENSION IN THEIR OWN RIGHT BY PENSION ACT 31.12.2007**

€/month



The graph does not include the recipients of a farmers' special pension or a part-time pension.

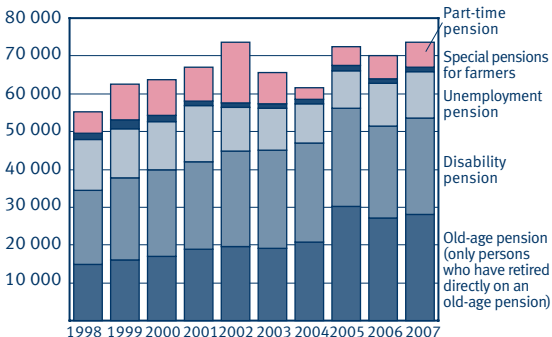
**■ PENSION BENEFICIARIES RESIDING ABROAD AND  
AVERAGE OVERALL PENSION 31.12.2007**

<b>Country of residence</b>	<b>Old-age pension Number</b>	<b>Disability pension Number</b>	<b>Survivors' pension Number</b>	<b>All benef. Number</b>	<b>Overall pension €/month</b>
Australia	864	50	131	970	247
Austria	98	17	10	123	521
Belgium	48	8	11	67	782
Canada	910	18	101	982	286
Chile	21	1	6	27	596
Czech Republic	20	2	3	25	336
Denmark	311	52	28	379	448
Estonia	243	74	74	386	747
France	299	27	29	352	1 396
Germany	1 450	150	147	1 716	235
Greece	25	13	8	43	681
Hungary	73	9	13	92	231
Israel	50	4	11	60	621
Italy	131	13	17	158	524
Morocco	31	11	4	39	2 778
Netherlands	120	15	22	154	515
Norway	342	186	51	565	373
Poland	141	15	19	171	240
Portugal	78	12	13	98	1 912
Russia	53	-	30	82	373
Spain	1 880	633	278	2 595	1 869
Sweden	36 884	8 876	2 597	46 727	180
Switzerland	286	30	28	336	691
Thailand	15	8	4	28	994
United Kingdom	412	26	43	476	443
United States	1 010	16	72	1 074	499
<b>All</b>	<b>46 472</b>	<b>10 371</b>	<b>3 929</b>	<b>58 674</b>	<b>303</b>

The country-specific figures are from countries to which a pension was paid to at least 25 persons. The figure in the row All includes all pensions paid abroad.

## ■ PERSONS HAVING RETIRED ON AN EARNINGS-RELATED PENSION BY PENSION BENEFIT

Number



## ■ PERSONS HAVING RETIRED ON AN EARNINGS-RELATED PENSION BY PENSION BENEFIT IN 2007

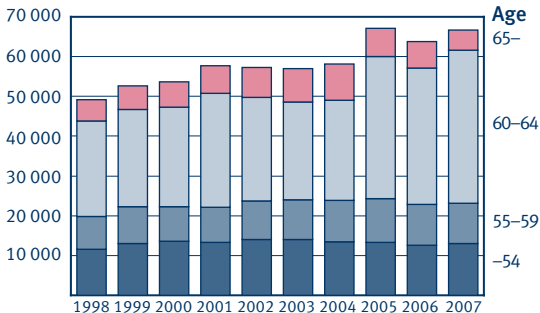
Pension benefit	Males	Females	All	Average pension €/month	Mean age
<b>Old-age pension</b>	<b>13 804</b>	<b>14 246</b>	<b>28 050</b>	<b>1 527</b>	<b>63.0</b>
- early old-age	1 038	1 339	2 377	1 357	..
<b>Disability pension</b>	<b>12 948</b>	<b>12 474</b>	<b>25 422</b>	<b>882</b>	<b>52.3</b>
- until further notice	7 454	6 604	14 058	895	56.1
- cash rehab. benef.	5 484	5 833	11 317	862	47.5
<b>Unemployment pension</b>	<b>5 896</b>	<b>6 534</b>	<b>12 430</b>	<b>1 151</b>	<b>60.4</b>
<b>Special pension for farmers</b>	<b>606</b>	<b>475</b>	<b>1 081</b>	<b>798</b>	<b>..</b>
<b>All</b>	<b>33 136</b>	<b>33 586</b>	<b>66 722</b>	<b>1 201</b>	<b>58.4</b>

The number of persons having retired on a disability pension includes 47 persons having retired on an individual early retirement pension.



**■ PERSONS HAVING RETIRED ON AN EARNINGS-RELATED PENSION BY AGE**

**Number**



The graph does not include persons drawing a part-time pension.

**■ PERSONS RECEIVING A PART-TIME PENSION AND PERSONS HAVING RETIRED ON A PART-TIME PENSION**

**Number**

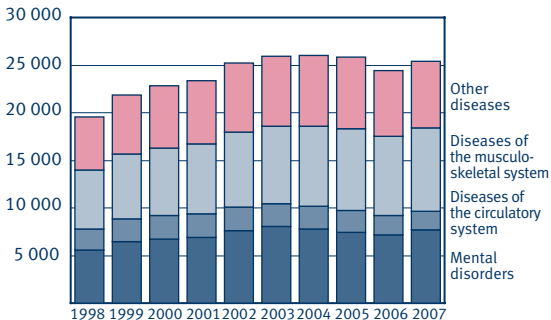


**■ RECIPIENTS OF A DISABILITY PENSION AS AN EARNINGS-RELATED PENSION 31.12.2007 AND PERSONS HAVING RETIRED ON A DISABILITY PENSION IN 2007**

Main disease category		Pensioners		Persons having retired	
		Number	%	Number	%
I	Infectious and parasitic diseases	822	0	61	0
II	Neoplasms	6 164	3	1 534	6
IV	Endocrine diseases etc.	4 236	2	483	2
V	Mental disorders	82 360	38	7 710	30
VI	Diseases of the nervous system	15 911	7	1 791	7
VII	Diseases of the eye	2 389	1	216	1
VIII	Diseases of the ear	1 066	1	107	0
IX	Diseases of the circulatory system	18 530	8	1 955	8
X	Diseases of the respiratory system	5 003	2	523	2
XI	Diseases of the digestive system	1 641	1	247	1
XII	Diseases of the skin	1 360	1	132	1
XIII	Diseases of the musculoskeletal system	64 275	29	8 700	34
XIV	Diseases of the genitourinary system	686	0	78	0
XVII	Congenital malformations	1 498	1	88	0
XIX	Injuries and poisoning	11 932	5	1 612	6
III, XV, XVI, XVIII		1 713	1	185	1
<b>All</b>		<b>219 586</b>	<b>100</b>	<b>25 422</b>	<b>100</b>

■ **PERSONS HAVING RETIRED ON AN EARNINGS-RELATED DISABILITY PENSION BY MAIN DISEASE**

Number



■ **PERSONS HAVING RECEIVED REHABILITATION WITHIN THE EARNINGS-RELATED PENSION SCHEME AND REHABILITATION COSTS**

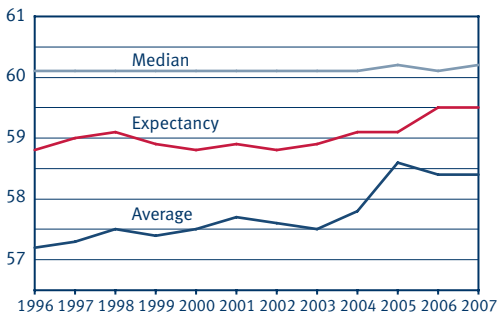
	Males	Females	All	Costs € million
1995	795	514	1 309	6.3
2000	2 359	2 258	4 617	20.9
2001	2 598	2 604	5 202	23.9
2002	2 408	2 561	4 969	27.2
2003	2 767	2 781	5 548	31.3
2004	3 164	3 093	6 257	35.8
2005	3 349	3 485	6 834	39.9
2006	3 572	3 837	7 409	44.3
2007	3 656	4 299	7 955	49.0

■ **EFFECTIVE RETIREMENT AGE IN THE EARNINGS-RELATED PENSION SCHEME IN 2007**

	Average	Median	Expectancy for 25-year-old	Expectancy for 50-year-old
Males	58.2	60.2	59.3	61.5
Females	58.6	60.3	59.6	61.6
All	58.4	60.2	59.5	61.6
Private sector	58.6	60.3	59.7	61.8
Public sector	58.5	60.1	60.0	62.2

■ **EFFECTIVE RETIREMENT AGE IN THE EARNINGS-RELATED PENSION SCHEME**

Age



■ **CALCULATED TIME IN RETIREMENT IN THE NORDIC COUNTRIES IN 2005, YEARS**

	<b>Males</b>	<b>Females</b>
<b>Finland</b>	<b>20.4</b>	<b>24.5</b>
Denmark	20.1	24.2
Iceland	17.8	24.3
Norway	20.1	25.5
Sweden	20.2	25.7

■ **PENSION BENEFICIARIES AGED UNDER 68 WHO HAVE BEEN WORKING AND SHARE OF PENSION BENEFICIARIES BY PENSION BENEFIT, 31.12.2006\***

	<b>Number</b>	<b>%</b>
<b>Disability pension</b>	<b>24 000</b>	<b>9.0</b>
- full pension	14 000	5.6
- partial pension	10 000	61.9
<b>Unemployment pension</b>	<b>2 000</b>	<b>4.3</b>
<b>Old-age pension</b> (incl. early old-age pension)	<b>12 000</b>	<b>5.4</b>
<b>Special pensions for farmers</b>	<b>1 000</b>	<b>11.6</b>
<b>All (excl. part-time pensions)</b>	<b>40 000</b>	<b>7.2</b>
<b>All (incl. part-time pensions)</b>	<b>70 000</b>	<b>11.7</b>

## ■ EARNINGS-RELATED PENSION ACTS

<b>TyEL</b>	Employees Pensions Act
<b>MEL</b>	Seamen's Pensions Act
<b>YEL</b>	Self-Employed Persons' Pensions Act
<b>MYEL</b>	Farmers' Pensions Act
<b>LUTUL</b>	Act on Farmers' Early Retirement Aid
<b>VaEL</b>	State Employees' Pensions Act
<b>KuEL</b>	Local Government Pensions Act
<b>KiEL</b>	Evangelical-Lutheran Church Pensions Act

## **BROAD RANGE OF SERVICES**

- studies, statistics and planning related to earnings-related pension provision,
- legal, international and customer services,
- information logistics for pension providers,
- communications services.

We analyse the achievement of the objectives of the pension scheme from the viewpoint of both social and financial sustainability. Fair and adequate earnings-related pension provision is the aim of the Finnish pension scheme.

Finnish Centre for Pensions   
ELÄKETURVAKESKUS

FI-00065 ELÄKETURVAKESKUS  
Telephone: +358 10 7511  
[www.etk.fi](http://www.etk.fi)