2020

Your Guide to Earnings-related Pensions

Finnish Centre for Pensions
ELÄKETURVAKESKUS

FINNISH CENTRE FOR PENSIONS

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Booklets published in English by the Finnish Centre for Pensions

- Your Guide to Earnings-related Pensions 2020 (also in Finnish and Swedish)
- Your Guide to Earnings-related Pensions: Supplement 2020
- How to Claim Your Pension from Abroad (also in Estonian, Finnish, Russian and Swedish)
- Worker's Guide: Worker from Abroad (also in Estonian and Russian)
- Employer's Guide: How to Insure Workers from Abroad (also in Estonian, Finnish and Russian)

Some of the booklets are available only online at www.etk.fi/en › Publications. Printed booklets are free, and they are available from the Finnish Centre for Pensions.

TABLE OF CONTENTS

TABLES

HOW THIS BOOKLET CAN HELP YOU

Welcome to **Your Guide to Earnings-related Pensions.** This booklet will help you understand earnings-related pensions in Finland.

A pension is a payment to people who:

- are old,
- have developed a disability, or
- lose the wage earner in their family to death.

Most pensions are paid every month, but some pension payments are lump sum payments. A **lump sum** is a one-time payment.

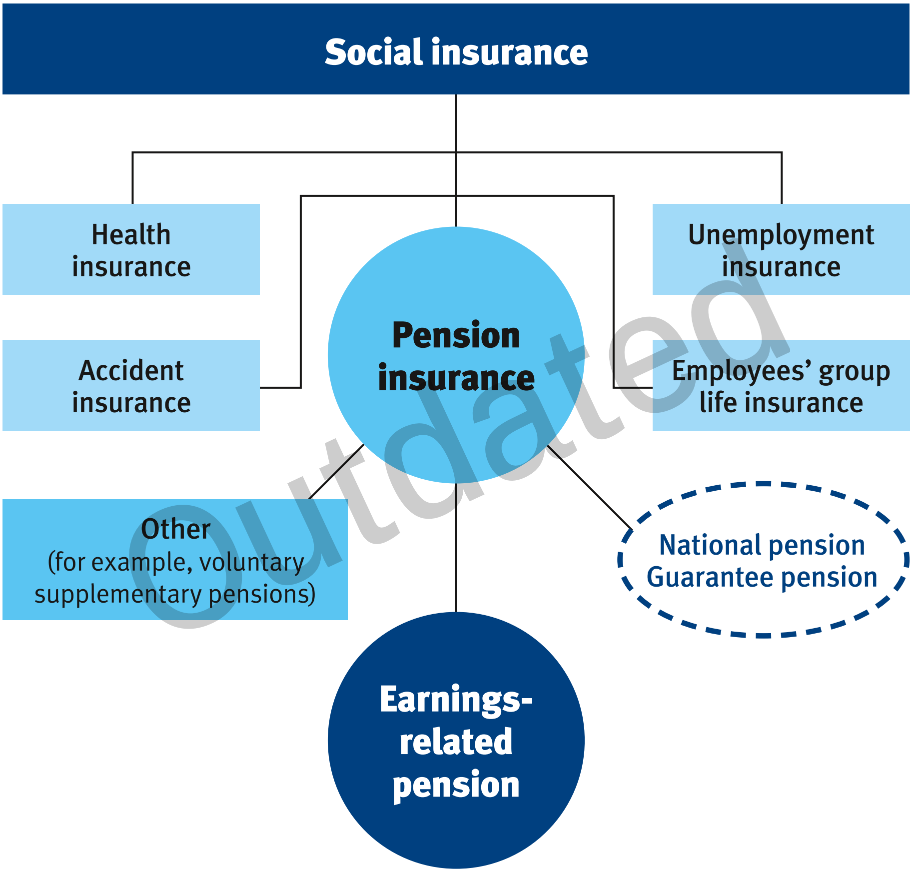
This booklet explains:

- what pension benefits there are,
- who can qualify for a particular pension,
- how pension payments are calculated, and
- how to apply for your pension.

**This booklet does not give advice about pension companies.
For personal pension advice, contact your pension provider.**

AN OVERVIEW OF SOCIAL INSURANCE AND PENSIONS

In Finland, there are many parts to our social insurance, including pensions. This graphic shows you all the parts.



There are two pension insurance schemes: the **national pension scheme** and the **earnings-related pension scheme**. The figures below explain these.

You get the **national pension** if you have lived in Finland for a time.

National Pension Scheme

- Financed by taxes
- Managed and paid by the Social Insurance Institution of Finland (Kela)

National pension

- Supplements a low earnings-related pension

Guarantee Pension

- Guarantees a minimum income when you are old and have no or only a small earnings-related pension

You get **earnings-related pensions** if you have worked in Finland for a time and paid pension insurance.

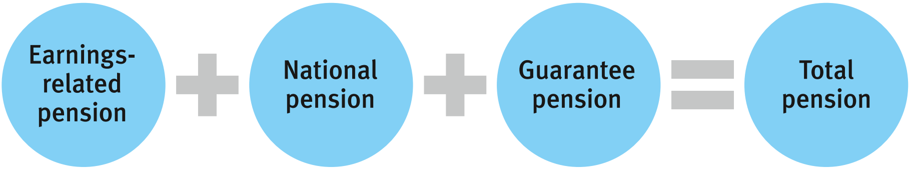
Earnings-related Pension Scheme

- Financed by contributions from you, your employer and the State
- Main form of income after you retire

Provides an income when

- you are old
- have developed a disability
- lose the wage earner in your family to death

If your earnings-related pension is small, you may get a national and a guarantee pension also. This means your total pension may be made up of three different pensions.



Our social insurance schemes sometimes change to meet new needs in society. For example, as people live longer, the time we spend working must increase. This is why new rules for earnings-related pensions were introduced in 2017.

The earnings-related pension scheme has been developed in cooperation by representatives from:

- the State,
- employee organisations such as trade unions, and
- employer organisations.

WHAT IS PENSION INSURANCE?

Pension insurance is money that is set aside to make sure you have an income when:

- you are old,
- you develop a disability, or
- the wage earner in your family dies.

Earnings-related pensions are **statutory**, which means they have been set up in law.

You are required by law to pay into an earnings-related pension scheme. These payments are called **pension contributions**.

TAKING OUT YOUR PENSION INSURANCE

If you work in Finland, by law, you must have pension insurance. This means that you and your employer must pay money into an earnings-related pension for your retirement. You must be insured if you earn more than 60.57 euros per month (in 2020). If you are a **worker**, your employer will automatically withhold your share of the contribution from your wages and pay the total contribution to the pension provider. You do not have to take any action.

Note that the pension you have earned is yours even if your employer changes.

If you are **self-employed**, you must pay the total contribution yourself. You are considered self-employed if you:

- receive a grant in the arts or sciences,
- are a farmer,
- are an artist, or
- are a self-employed worker.

AT WHAT AGE MUST I START PAYING PENSION INSURANCE?

If you are a **worker**, your employer must begin deducting your share of the pension contribution from your wages the month after you turn 17. Here are some examples.

Date on which you start paying pension insurance	
Date you turn 17 years of age	**Date your employer must start deducting your share of the pension contribution**
12 March 2020	1 April 2020
31 March 2020	1 April 2020
1 April 2020	1 May 2020

Remember to check your payslip to make sure your employer has met its obligation to take out pension insurance for you.

If you work as a **sailor** on a vessel that sails abroad, your employer will take out pension insurance for you with the Seafarer's Pension Fund when you turn 17.

If you are **self-employed**, you must begin paying into a pension on the first day of the month after you turn 18.

WHO CHOOSES THE PENSIONS PROVIDER?

If you are a worker, your employer will choose the pension provider. If you are self-employed, you can choose the pension provider yourself. The pension contributions and terms of insurance are the same for all pension providers.

WHEN DO I STOP PAYING PENSION INSURANCE?

You can continue working for as long as you like. However, once you reach a certain age you can no longer pay pension insurance.

Age when you stop paying pension insurance	
Year you were born	**Age when you stop paying pension insurance**
1957 or earlier	68
1958-1961	69
1962 and later	70

HOW MUCH DOES MY PENSION INSURANCE COST EVERY MONTH?

Every year, the Ministry of Social Affairs and Health sets the pension insurance contribution for that year.

In 2020, the total pension insurance contribution is 24.40% of your gross wages (wages before tax and social insurance contributions are taken out).

If you are a worker, you pay a portion of the pension insurance contribution and your employer pays the rest.

Worker's and employer's contribution	
If you are aged under 53 or over 62	7.15% of your gross wage
If you are between 53 and 62	8.65% of your gross wage
Employer's average contribution	16.95%

If you are self-employed, you must pay your pension insurance contribution directly to the insurance company that is your earnings-related pension provider. Your pension contribution will be based on your confirmed income, that is, your estimate of how much you will earn in one year from your self-employment.

Self-employed person’s contribution	
If you are aged under 53 or over 62	24.10% of your confirmed income
If you are between 53 and 62	25.60% of your confirmed income

As a newly self-employed person, you get a 22% discount on your contribution for the first four years of self-employment.

If you are insured under the Farmers’ Pensions Act, you pay a contribution of 13.9 per cent on average of your confirmed monthly income. Grant recipients pay 13.4 per cent of the grant.

HOW DO I FIND OUT HOW MUCH MY PENSION WILL BE?

The earnings and benefits you get throughout your working life are entered into your **pension record**. Check your record every year to make sure that your earnings and benefits are recorded correctly. If you find errors or missing data on your pension record, immediately contact the pension provider that issued your pension record.

For more information on your pension record, and to check your record, go to www.tyoelake.fi/en › Pension record, or your pension provider’s website.

Your pension record is an estimate of how much pension you will get when you retire. When it is time for you to retire, you must claim your earnings-related pension (it does not come automatically). You will then get a pension decision, stating your final pension amount, from your earnings-related pension provider.

If you are unhappy with your pension decision, you can appeal it. You will get appeal instructions with your pension decision.

If you have also claimed a national pension, you will get a separate pension decision from the Social Insurance Institution of Finland (Kela).

HOW WILL MY PENSION BE PAID?

Pension that you have earned in Finland is paid to all countries in the world when you retire.

Every month, your pension provider will pay your earnings-related pension into your bank account. Different pension providers pay on different dates. To find out what date your pension will be on your bank account, look at your pension decision or contact your pension provider.

If your earnings-related pension is less than 22.63 euros a month (in 2020), you will not get a payment every month. Instead, your pension provider will pay your earnings-related pension in one payment, which is called a **lump sum**.

Remember, if your earnings-related pension is small, you may also get a national and a guarantee pension.

What happens if my pension is paid late?

Sometimes pension payments are delayed. If this happens, you will get interest on your pension if:

- the delay is your pension provider's fault, and
- the delay is longer than three months.

The interest will be calculated for every day of delay.

DO I HAVE TO PAY TAX ON INCOME FROM MY PENSION?

You must pay tax on all income from your pensions: earnings-related, national and guarantee pensions. If you have taken out voluntary pension insurance (for example, for work you did as a self-employed person after you retired on an old-age pension), you must pay tax on that pension income, as well.

When you get your pension decision, contact the Finnish Tax Administration as soon as possible. Ask them to send a new pension tax card to your earnings-related pension provider.

If your pension provider does not get your pension tax card, it will have to withdraw 40% of your pension in tax.

When you contact the Finnish Tax Administration, give them the information in your pension decision, including:

- the amount of your pension, and
- information for the year on:
  – any income you have had during the year,
  – tax withholdings, and
  – tax deductions.

Go to the website of the Tax Administration for more details on the information you need to give them to get a new tax card (www.vero.fi/en › Individuals › Tax card and tax return › Tax card).

The Tax Administration will send your new pension tax card to your earnings-related pension provider. After you request a pension tax card, the Tax Administration will automatically send a new pension tax card to your earnings-related pension provider every year.

CALCULATING YOUR EARNINGS-RELATED PENSION

Your pension provider will calculate your earnings-related pension based on your income from work or self-employment for each year of your working life.

You get no pension for work that you do off the books!

If you are a **worker**, your employer will notify your earnings-related pension provider each year of your income for that year.

If you are **self-employed** and you take out insurance for the first time, you must notify your pension provider of your **confirmed income** (your estimate of how much you will earn from your self-employment). In the future, you need to notify your pension provider only if your confirmed income changes.

It's important that you don't underestimate your confirmed income since your pension and other social benefits will be based on it!

Each year, your pension will grow at a rate of 1.50% of your annual gross wages. This rate is called the **accrual rate**. However, if you are aged between 53 and 62, from 2017 to the end of 2025, your accrual rate will be 1.70%.

Annual earnings × 1.50 % ÷ 12 months = Pension/month

€24,000 x 1.50% ÷ 12 months = €30 a month

The example above shows how much pension you accrue if your annual wages are €24,000.

You can **draw a pension and work** at the same time. You will earn a new pension for your earnings.

From 2017 to the end of 2025, if you are getting a pension and continue to work, your accrual rate will be 1.50%, not 1.70%, until you turn 68. Your pension will be based on payments made up until this time.

Pension insurance for unsalaried periods

Your pension grows also during certain periods when you are not paid a wage but you:

- study on a course that leads to, for example, a vocational basic qualification or a university degree, and
- get a social benefit, such as:
  – parental allowance,
  – sickness allowance
  – home care subsidy, and
  – earnings-related unemployment allowance.

Your pension will grow based on these benefits at a rate of 1.50% a year. Each benefit has been given a basis for the pension accrual, which is used when calculating the pension. The basis may be, for example, your annual earnings confirmed in your taxation or your average monthly earnings during your last months of employment.

How much your monthly pension will grow while you get an earnings-related daily allowance	
Number of days you have an allowance for	260
Monthly income that your daily allowance is based on (also called the basis for the allowance)	€2,500
Number that your monthly income (the basis of the allowance) is divided by	21.50
Percentage of your income for which you will earn funding towards a pension	75%
Monthly amount of pension that you earn	€2,500 ÷ 21.50 = €116.28 €116.28 x 260 days = €30,232.56 €30,232.56 x 75% = €22,674.42 €22,674.42 x 1.50% = €340.12 €340.12 ÷ 12 = €28.34
In this example, your monthly pension will grow by **28.34** euros for the period that you have got a daily allowance.	

For periods of child-care (that is, when you care for your own children under the age of 3 at home) or studies, your pension will grow based on a fixed euro amount.

For a completed degree, your pension will grow for 3-5 years, depending on the level of your degree:

- 3 years for a vocational basic qualification and a lower university degree;
- 4 years for a degree from a university of applied sciences;
- 5 years for a higher university degree.

If you study for several degrees, your pension will grow for a total of five years of studies.

Applying the life expectancy coefficient

People are living longer, and this means we have greater life expectancy. Greater life expectancy must be accounted for when calculating pensions, and people must be encouraged to work longer. Pension managers adjust pensions to account for this by multiplying your pension amount by a number called the life expectancy coefficient.

How much your monthly pension will grow while you study at a university of applied sciences	
Number of months (4 years = 48 months)	48
Monthly fixed amount the pension accrues on (in 2020)	€757.14
Income the benefit is based on	€757.14 x 48 months = €36,342.72
Monthly amount of pension funds that you earn	(€36,342.27 x 1.50%) ÷ 12 months = €45.43
In this example, your **monthly** pension will grow by **45.43** euros for the period that you have studied for a degree.	

The life expectancy coefficient is determined for each age group at age 62. It will be permanently applied to the pension payments you get. This means that your actual monthly pension will be less than your estimated monthly pension, as the following table shows.

How the life expectancy coefficient changes your pension	
Year of your birth	1958
Estimated **life expectancy coefficient**	0.95404
Your retirement age	64 years
Estimated amount of your **monthly old-age** pension when you retire	€1,500
Your **actual monthly pension**	€1,500 x 0.95404 = €1,431.06

To offset the effect of the life expectancy coefficient and get an actual monthly pension of €1,500, you would need to work an additional length of time. This later retirement age is called your target retirement age. In the following example, you would need to work an additional 13 months to get an actual monthly pension of €1,500.

How you can offset the effect of the life expectancy coefficient by retiring at your target retirement age	
Year of your birth	1958
Your confirmed **life expectancy coefficient**	0.95404
Your retirement age	64 years
Your target retirement age	65 years and 1 month
Number of months in the difference	13
Estimated amount of your **monthly old-age pension** at your retirement age	€1,500 x 0.95404 = €1,431.06
Percentage monthly increase for retiring late at your target retirement age	0.40% a month
Total increase in your monthly pension payment	13 x 0.40% = 5.20% €1,500 x 5.20% = €78
Amount of your **monthly pension payment**	€78 + €1,500 = €1,578 €1,578 x 0.95404 = **€1,505.48**

TYPES OF EARNINGS-RELATED PENSIONS

- Old-age pension
- Partial old-age pension

- Vocational rehabilitation allowance
- Cash rehabilitation benefit
- Disability pension
- Years-of-service pension

- Orphan’s pension
- Surviving spouse’s pension

OLD-AGE PENSION

Everyone in Finland who works or gets earnings-related benefits must be insured for an earnings-related pension. This will give them an **earnings-related old-age pension** when they reach their retirement age.

The total value of your old-age pension is based on your total income from work or self-employment throughout your insured working life.

You can retire at your retirement age and get your old-age pension. You can also decide to continue working past your retirement age and apply for your old-age pension later. In that case, your old-age pension will be higher since it will grow for each month that you defer retirement.

The rules for working while drawing an old-age pension are different for workers and self-employed people.

If you are a **worker**, the law says that you must resign from your work before you start drawing your old-age pension. If you wish to do some work while drawing your old-age pension, your employer must insure you for that work.

You can apply to your pension provider for this new pension to be paid once you have reached the age when your insurance obligation ends (see table below).

If you are **self-employed**, you can claim your old-age pension and continue your self-employment. In that case, you will not be able to continue paying statutory pension insurance. If you wish, you may, but you do not have to, insure your continued work with voluntary pension insurance.

Whether you are a worker or a self-employed person, ask your pension provider for an assessment of your old-age pension. You can also check it yourself online at www.tyoelake.fi/en.

Deciding when to retire

Your year of birth determines when you can retire on an old-age pension.

We are expected to live longer in the future. This means that earnings-related pensions will be paid for longer periods. This is why the rules are different depending on your age.

Retirement ages for people born before 1965 (old-age pension)

Year of birth	Retirement age	Age when insurance obligation ends
1955	63 years and 3 months	68 years
1956	63 years and 6 months	68 years
1957	63 years and 9 months	68 years
1958	64 years	69 years
1959	64 years and 3 months	69 years
1960	64 years and 6 months	69 years
1961	64 years and 9 months	69 years
1962–1964	65 years	70 years

Retirement ages for people born in 1965 or after

If you were born in 1965 or after, your retirement age will be linked to **life expectancy**, which is the average number of years that a person may expect to live. Your retirement age will be linked to the average life expectancy for people of your age in 2030.

In this case, when you turn 62, you will be told what your retirement age is.

Old-age pension for long-term unemployed wage earners

If you are unemployed and 62 years, you can apply for your old-age pension if you:

- were **born in 1957 or earlier**, and
- have got an unemployment allowance for 500 days plus the additional daily allowance for the long-term unemployed.

When you apply for your pension, you need to include information about your additional days of unemployment. To your pension application, attach a certificate of additional days from the organisation that pays your unemployment allowance.

When you are granted the old-age pension based on additional days, your old-age pension will not be reduced due to early retirement. Instead, your pension provider will pay you the amount that you have accrued by the end of the month before you pension begins.

You can continue to draw the allowance for the additional days of your unemployment allowance, but only until the end of the month in which you turn 65.

If you are granted an old-age pension based on the additional days of your unemployment allowance, you can work for an unrestricted amount while drawing a pension.

If you are **self-employed**, you are not entitled to additional days of unemployment allowance. As a result, you cannot be granted an old-age pension based on unemployment.

Calculating your old-age pension

The amount of your old-age pension is the pension amount you have earned by the end of the month before you retire. The longer you work or the later you retire, the higher your old-age pension will be.

There is one important rule for how much you will get if you retire late.

- Your pension will be **permanently increased by 0.40%** for each month from your retirement age to when you start drawing your old-age pension.

How your old-age pension is calculated if you retire late: an example at age 65	
Your retirement age	64 years
Age you actually retire	65 years
Number of months in the difference	12 months
Amount of your monthly old-age pension at your retirement age	€1,650
Total percentage increase to your monthly pension payment	12 x 0.40% = 4.8%
Your pension when you retire late	€1,650 + (€1,650 x 4.8%) = €1,729.20

Your pension will be adjusted with the life expectancy coefficient that is confirmed for the year in which you turn 62 years.

When you are ready to retire, contact your earnings-related pension provider.

For an assessment of how much your old-age pension will be if you retire late, contact your earnings-related pension provider.

PARTIAL OLD-AGE PENSION

You can also choose to retire on a partial old-age pension. For example, you might do this if you work and want to top up your income with either 25% or 50% of your pension if you need extra cash.

There are two important rules for the partial old-age pension:

- You can choose to take 25% or 50% of your pension.
  – If you choose to take 25% of your pension, you can later increase it to 50%.
  – If you choose to take 50%, you cannot reduce that to 25%.
- You may but you are not required to work while drawing a partial old-age pension.
  – If you choose to work, there are no restrictions as to how much you can work or earn.

When can I retire on a partial old-age pension?

You can retire on a partial old-age pension either before reaching your retirement age or at any point between your retirement age and the age at which your insurance obligation ends (see table on p. 21).

When can I retire if I want to retire early?

Your age determines when you can take part of your pension if you decide to retire before reaching your retirement age.

Early retirement age (partial old-age pension)	
Year you were born	**Age when you can retire**
1963 or earlier	61 years
1964	62 years
After 1964	Three years before you reach your retirement age

Calculating your partial old-age pension when you retire early

There is one important rule for how much you can get if you take part of your pension early:

- The part of your pension that you take will be **permanently reduced by 0.40%** for each month from when you start drawing your pension to the month after you reach your retirement age.

How your partial old-age pension is calculated if you retire early: an example at age 61	
Your retirement age	64 years and 3 months
Age you retire early	61 years
Number of months between your early retirement date and your retirement age	39 months
Amount of your monthly old-age pension at your early retirement age (61 years)	€1,500
Total percentage reduction to your monthly pension payment	39 x 0.40% = 15.60%
If you take **50%** of your pension, the **total reduction in euros** every month	(€1,500 x 50%) x 15.60% = €117
If you take **50%** of your pension, **the total you will get** every month	(€1,500 x 50%) – €117 = **€633**

Your partial old-age pension will be adjusted with the life expectancy coefficient confirmed in the year when you retire.

When you reach your retirement age (64 years and 3 months in the example above) and want to get your old-age pension, apply to your earnings-related pension provider for the rest of your pension.

For an assessment of how much your partial old-age pension will be if you retire early, contact your earnings-related pension provider.

Calculating your partial old-age pension when you retire late

There is one important rule for how much you will get if you take part of your pension late.

- The part of your pension that you draw will be **permanently increased by 0.40%** for each month from your retirement age to when you start drawing your partial old-age pension.

How your partial old-age pension is calculated if you retire late: an example at age 65	
Your retirement age	64 years
Age you actually retire	65 years
Number of months between your late retirement date and your retirement age	12 months
Amount of your monthly old-age pension at your retirement age	€1,650
Total percentage increase to your monthly pension payment	12 x 0.40% = 4.8%
If you take **50%** of your pension, the **total increase in euros** every month	(€1,650 x 50%) x 4.8% = €39.60
If you take **50%** of your pension, **the total you will get** every month	(€1,650 x 50%) + €39.60= **€864.60**
Your partial old-age pension will be adjusted with the life expectancy coefficient confirmed in the year when you turn 62. When you are ready to take the rest of your old-age pension, contact your earnings-related pension provider.	

For an assessment of how much your partial old-age pension will be if you retire late, contact your earnings-related pension provider.

DISABILITY BENEFITS

There are three types of disability benefits.

When disability threatens:
Vocational rehabilition allowance

Temporary disability:
Cash rehabilition benefit

Permanent disability:
Disability pension and Years-of-service pension

Vocational rehabilitation allowance

You may need vocational rehabilitation if:

- your ability to work has been reduced, and
- you cannot continue in your former work without support measures.

Vocational rehabilitation aims to help you continue working. You will always get vocational rehabilitation before you get a disability pension.

Your pension provider will arrange vocational rehabilitation for you if you have **an established working life**. This means that you must have earned a total of at least 36,342.90 euros during the last five years. Vocational rehabilitation may include, for instance:

- work try-outs,
- work counselling, or
- training leading to a new occupation or profession.

During your vocational rehabilitation, you will get a **rehabilitation allowance** equal to the amount of your disability pension plus an additional 33%.

How your rehabilitation allowance is calculated	
Your **monthly disability pension**	€1,800
Your **total rehabilitation allowance**	€1,800 + (€1,800 x 33%) = €2,394

In some cases, you may get a partial disability pension, which is 50% of your disability pension. This will affect your total rehabilitation allowance.

For more information about vocational rehabilitation, and an assessment of the amount of your rehabilitation allowance, contact your earnings-related pension provider.

Cash rehabilitation benefit

If there is a chance that your working capacity will be restored, but you are not taking part in vocational rehabilitation, your pension provider may grant you a temporary (full or partial) **cash rehabilitation benefit** instead of a disability pension. The vocational rehabilitation allowance is paid only if you take part in vocational rehabilitation. The cash rehabilitation benefit is paid as a temporary disability pension. It is different to vocational rehabilitation.

You and your pension provider will draw up a treatment and rehabilitation plan for you. Based on your education and your previous work experience, you will together agree on what type of work is suitable for you, considering your remaining ability to work.

Disability pension

If your ability to work has been reduced and rehabilitation has not helped you continue to work, you may have the right to get a disability pension.

When you reach your retirement age, your disability pension will be changed to an old-age pension.

When you apply for a disability pension, your ability to work will be assessed. The assessment looks at:

- your age,
- your education and work history,
- information on your health, and
- your description of your illness and how you cope at work.

If you have turned 60, the conditions for a disability pension are easier to meet.

To get a full disability pension, your ability to work must have been reduced by at least 60 per cent. The expert physician and other experts at your pension provider will determine how much your ability to work has been reduced based on these documents that you have attached to your disability pension application:

- Medical Statement B,
- your own description of your illness, and
- your assessment of how you can cope at work.

Partial disability pension

You may be granted a **partial disability pension** if your ability to work has been reduced but you can do part-time work or lighter tasks.

Claiming your partial disability pension

While you are still working, you may ask your pension provider for a preliminary ruling on your right to a partial disability pension. If you are granted a partial disability pension, you will have to start drawing it (and cut down on your working) at some point in the next nine months.

Your earnings-related pension provider will estimate the amount of your partial disability pension.

Contact your pension provider to find out how much you can work and earn while drawing a partial disability pension.

Years-of-service pension

The years-of-service pension was introduced in 2017. You may qualify for a years-of-service pension if:

- you have done work that requires great mental or physical effort for at least 38 years;
- your ability to work is reduced; **and**
- you are 63 or older.

The years-of-service pension is a type of disability benefit, but your ability to work does not have to be as reduced as it does for a disability pension.

Rules if you were born in 1965 or after

The rules for the years-of-service pension are different if you were born in 1965 or after. If you meet the conditions for the years-of-service pension listed above, you can get a years-of-service pension two years before your retirement age. For example, if your retirement age is 70 and you qualify, you can get a years-of-service pension when you are 68.

You can work and earn around 835 euros per month while drawing an earnings-related pension.

Claiming your years-of-service pension

You must claim your years-of-service pension within one year of stopping work.

You can also claim this pension before you stop work.

Ask your pension provider for a preliminary decision about your years-of-service pension. The decision will be valid for six months.

Calculating your disability pension and rehabilitation allowance

Full disability pension = **Total amount of your pension** + **Projected pension component**

The **total amount of your disability pension** is the amount you have accrued by the end of the year before you start getting a disability pension. If you start getting a disability pension in 2020, your pension amount will be the amount you accrued up to the end of 2019.

You will get a **projected pension component** (see below) if you:

- earned 18,171.45 euros in total over 10 calendar years before you became disabled, **and**
- paid earnings-related pension insurance on the income.

The projected pension component is a calculated expected part of your pension. It compensates the pension that you have not accrued based on your wages because you have had to retire on a disability pension before reaching your retirement age.

The projected pension component is calculated for the time from the beginning of the year that you retired on a disability pension to your retirement age. The accrual rate is 1.50 per cent of your total standard **gross wages** (wages before tax and social insurance contributions are taken out) for the five calendar years before you retired on a disability pension.

When your disability pension is calculated:

- your earnings-related pension will be multiplied by the life expectancy coefficient; but
- your projected pension component will not be multiplied by the life expectancy coefficient.

The life expectancy coefficient used when you retire on a disability pension is the one confirmed for the year when you retired.

How your disability pension and the projected pension component are calculated	
You were born on	15 June 1958
Your retirement age	64 years
You retire on a disability pension on	1 January 2020
The amount of pension that you have accrued (for work and unsalaried periods) by the end of the year before the year in which you retire on a disability pension (2019)	€1,450 a month
Your monthly pension after the life expectancy coefficient has been applied	€1,450 x 0.95404 = €1,383.36
The projected pension component calculated from the beginning of the year in which you retired on a disability pension to when you reach your retirement age	1 January 2020–31 June 2022 = 30 months
Your **total standard gross monthly wage** during the period of a projected pension component	€3,000 per month
Amount of your monthly projected pension component	(€3,000 x 30 months) x 1.50% ÷ 12 = €112.50
Your total monthly disability pension (including the projected pension component)	€1,383.36 + €112.50 = €1,495.86

Calculating your years-of-service pension

Your years-of-service pension is the same amount as the pension that you have earned by the time that you start getting pension payments. Note that the years-of-service pension does not include a projected pension component.

To find out how much your years-of-service pension would be, contact your earnings-related pension provider.

Working while getting a disability pension

When you are getting a disability pension, you can work within set earnings limits. To find out your individual earning limits, contact your pension provider.

No matter what your personal earning limit is, you will be able to earn up to €757.14 before tax every month.
If you earn over your earnings limit, you can:

- set aside your disability pension for a period between three months and two years, or
- convert a full disability pension to a partial disability pension.

If you stop working within the two years, you will get the same amount in your disability pension as you did before you started working.

If you stop working after the two years, contact your pension provider so they can reassess your pension.

SURVIVORS' PENSIONS

There are two survivors' pensions: the **surviving spouse's pension** and the **orphan's pension**. These pensions replace income that is lost when a family wage earner dies.

Surviving spouse's pension

If you are married or in a registered partnership, you may be able to get a surviving spouse's pension when your spouse or partner dies. You must meet these conditions:

- you and your spouse have or have had a child together,
- you were married to your spouse at the time of death, and
- you married before your spouse turned 65.

If you and your spouse **do not have or have not had a child together**, you are entitled to the surviving spouse's pension if you meet these conditions:

- you were married before you turned 50 and your spouse turned 65,
- you were married for at least five years before your spouse died, and
- you were at least 50 years of age when your spouse died or you had received a disability pension under the earnings-related pension laws or the national pension laws for at least three years.

If you and your partner were in a registered partnership, you have the right to a surviving spouse's pension under the same conditions as married spouses.

If your former spouse or partner dies and they were paying you alimony at the time of their death, you may also be able to get a surviving spouse's pension.

Remarrying

You may get the surviving spouse's pension for the rest of your life, but there are some rules that might change or end your surviving spouse's pension.

- **If you remarry before you turn 50**, your surviving spouse's pension will end. You will get a lump-sum payment equal to three years of your surviving spouse's pension.
- **If you remarry after you turn 50**, you will continue to get your surviving spouse's pension.

For childless widows born before 1950

If you are a childless widow born before 1 July 1950, you may qualify for a surviving spouse's pension. To qualify, you must have married before 1 July 1990. You may qualify even if you married after you turned 50.

Orphan's pension

A child **under the age of 18** has the right to get an orphan's pension if:

- a parent dies, or
- a step-parent that the child lived with dies.

The same rules apply to a child of a parent in a registered partnership.

Orphan's pensions end when children turn 18 or are adopted.

Calculating the survivors' pension

The survivors' pension is based on the pension of the spouse or registered partner who has died. If your spouse or registered partner was still in paid employment (not retired) when they died, the survivors' pension is based on the value of the disability pension that they would have got on the day of their death.

At most, you will get up to half of your spouse's pension even if you do not have children.

How the survivors' pension is divided between the surviving spouse and the children

Number of children	The surviving spouse's share	The children's share
0	50%	–
1	50%	33%
2	42%	58%
3	25%	75%
4 or more	17%	83%

If you or your spouse have children who are under 18, the full survivors' pension will be divided between the surviving spouse and the children.

The table on the previous page shows how the pension is divided based on the number of children.

There are other conditions that affect how the surviving spouse's pension is calculated. These include:

- **If you are not retired,** the amount of disability pension that you would have got at the time of your spouse's or partner's death;
- **If there is a former spouse,** they may also be entitled to a surviving spouse's pension from your spouse or partner;
- **If you do not have childre**n, the value of your own income and earnings-related pension.

The surviving spouse's pension is paid on top of your own pensions and your earnings from work. The following examples show you how your own pension may affect your surviving spouse's pension.

How your own pension affects your surviving spouse's pension

Your own pension	Your spouse's pension	The surviving spouse's pension you will get on top of your own pension
€1000	€1200	€454
€1200	€1600	€554
€1400	€2000	€654
€1600	€2400	€754
€1800	€2800	€854
€2000	€3200	€954

Apply for the surviving spouse's pension and the orphan's pension from your spouse's pension provider.

NATIONAL OLD-AGE PENSION – WHEN CAN I GET IT?

You can get a **national old-age pension** paid by Kela if

- your earnings-related old age pension is less than 1,368.21 euros (single) or 1,226.13 euros (married or cohabiting), and
- you have turned 65.

At what age can I get an early national old-age pension?

Your year of birth determines when you can get an early national old-age pension.

Early retirement age (national old-age pension)	
Year you were born	**Age when you can retire**
1958 or earlier	63 years
1958–1961	64 years

You can start drawing the national old-age pension at the beginning of the month after the month in which you turn 63 years. Your early national old-age pension will be permanently reduced. For more information on your early national old-age pension, go to Kela's website (www.kela.fi/web/en) or call Kela's customer service at +358 20 692 202.

CLAIMING YOUR PENSION

Pension that you have earned in Finland is paid to all countries in the world when you retire. But it is not paid automatically – you must claim your pension. Send in your claim two months before you want to retire.

To claim your earnings-related pension, go to Työeläke.fi (www.tyoelake.fi/en › Claim your pension) for more information, or contact your pension provider. They will give you the correct form or tell you how to apply online.

To claim your national and guarantee pensions, send your claim form to the Social Insurance Institution of Finland (Kela). You can apply in two ways:

- Use the online form (www.tyoelake.fi/en › Menu › Forms)
- Use a printed claim form. This form is available in many languages and from different places:
  – Kela offices,
  – The Finnish Centre for Pensions, and
  – Mela's agents.

When you have completed the form, submit it to any of the places listed above.

What forms should I use to claim my pensions?

You need a different form for each pension benefit. You can claim your old-age, disability or survivors' pension from both the earnings-related and the national pension systems on the same form.

You can claim your pension online. Most pension providers offer an online pension application service (some also in English).

If your own pension provider does not offer an online application service, you can fill in a paper form or print out a form that you have filled in online.

This table shows you which form you need and what you may need to attach to your claim.

Pension claim forms and attachments

Type of pension	Form	Attachments	Form
Old-age pension Early old-age pension for the long-term unemployed	7001e	(Appendix U)	(7110e)
Partial old-age pension	2021e	(Appendix U)	(7110e)
Vocational rehabilitation	2136e	Medical Statement B	
Disability pension	7002e	Medical Statement B (Appendix U)	(7110e)
Years-of-service pension	2022e	Medical Statement B Employer's description of your work	7111 (in Finnish or Swedish)
Surviving spouse's pension Orphan's pension (separate application for each child)	7004e 7005e	(Appendix U) (Appendix U)	(7110e) (7110e)

The forms are available at www.tyoelake.fi/en › Menu › Forms

Attach Appendix U (7110e) if you are also claiming a pension from abroad (because you have worked or lived abroad).

Where can I get advice and more information?

Useful contact information

Private sector earnings-related pensions

Finnish Centre for Pensions
www.etk.fi
Phone: +358 29 411 20

Elo Mutual Pension Insurance Company
www.elo.fi
Phone: +358 20 703 50

Ilmarinen Mutual Pension Insurance Company
www.ilmarinen.fi
Phone: +358 10 284 11

Varma Mutual Pension Insurance Company
www.varma.fi
Phone: +358 10 2440

Veritas Pension Insurance Company Ltd
www.veritas.fi
Phone: +358 10 55 010

Apteekkien Eläkekassa
www.aekassa.fi
Phone: +358 9 612 6270

Eläkekassa Verso
www.elakeverso.fi
Phone: +358 20 198 5980

OP Bank Group Pension Fund
www.op.fi
Phone: +358 10 252 010

Valion Eläkekassa
www.valionelakekassa.fi
Phone: +358 10 381 171

Employment Fund
www.tvr.fi
Phone: +358 75 757 0500

Finnish Workers' Compensation Centre
www.tvk.fi
Phone: +358 404 504 240

The Federation of Unemployment Funds in Finland
www.tyj.fi
Phone: +358 9 774 4000

Public sector earnings-related pensions

Keva
www.keva.fi
Phone: +358 20 614 2837

Pensions for farmers and people who get grants in the arts and sciences

Mela
www.mela.fi
Phone: +358 29 435 11

Pensions for sailors

Seafarers' Pension Fund
www.seafarerspensionfund.fi
Phone: + 358 10 633 990

National pension
Guarantee pension
Other benefits when you retire

Kela
www.kela.fi
Phone: + 358 20 692 202

CLAIMING A PENSION FROM ABROAD

If you have worked in the European Union (EU) or European Economic Area (EEA) or Switzerland, you may have a right to a pension from these countries.

Some countries outside Europe have social security agreements with Finland. Based on them, you may have a right to a pension from:

- Australia
- Canada
- Chile
- China
- India
- Israel
- Quebec
- South Korea
- United States

Pensions from these countries are based on the laws of those countries, not on the laws of Finland.

Claiming an EU, EEA or Swiss pension

Claim your pension from an EU or EEA country or Switzerland with the same form that you use to claim your pension from Finland. You must fill in **Appendix U**.

When you fill in Appendix U, please also attach:

- any foreign insurance numbers (which are like your ID number in Finland); and
- documents relating to your work abroad, such as:
  – pay slips,
  – employment record books, and
  – work references.

Hand in your claim for a pension from abroad **six months** before you want the pension to start. Send your claim to

- your pension provider,
- Kela, or
- the Finnish Centre for Pensions.

The Finnish Centre for Pensions will forward your claim to the country from which you are claiming a pension.

For more information on how to claim a pension from abroad, please consult the booklet How to Claim Your Pension from Abroad (www.etk.fi/en/ › Publications › Booklets).

Claiming a pension from a country with a social security agreement with Finland

When you claim a pension from a country with a social security agreement with Finland, you must fill in a separate claim form that is in line with the social security agreement.

When you fill in your Finnish pension claim form, state that you are also claiming a pension from a country that has a social security agreement with Finland. The Finnish Centre for Pensions will send you instructions and the correct form.

When you have filled in the claim form, send it to the Finnish Centre for Pensions. The Finnish Centre for Pensions will confirm the data that the authorities of the agreement country require and send your claim to the pension provider of the country.

When should I claim a pension from abroad?

Claim your pension at least six months before you would like to start getting it.

Send your claim, including all attachments, to:

- your earnings-related pension provider,
- the Social Insurance Institution of Finland (Kela), or
- the Finnish Centre for Pensions.

The Finnish Centre for Pensions will transfer your claim to the correct organisation in the country you are applying to.

Claiming a pension from any other country

Countries that do not have a social security agreement with Finland may not pay pensions to people living in Finland. Before claiming a pension from a country that does not have a social security agreement with Finland, find out if the country agrees to pay pensions abroad.

If you are claiming a pension from a country that does not have a social security agreement with Finland, you must claim the pension on your own.

For information on how to claim a pension from countries with no social security agreement, including who to contact, please contact:

Finnish Centre for Pensions, Customer Service +358 29 411 2110

Claiming a pension from Finland when you live abroad

If you have worked in Finland and paid pension insurance to Finland but now live abroad, you can claim a pension from Finland.

For complete information on how to claim a Finnish pension, please contact:

Centre for International Affairs, Kela
Phone: +358 20 634 0200
E-mail: inter.helsinki@kela.fi

Claiming if you live in an EU/EEA or social security agreement country or Switzerland

You can claim your Finnish pension using the application form of the country you live in.

The authority that handles pensions in that country will transfer your claim to Finland, to the Centre for International Affairs at Kela. The Centre for International Affairs will transfer your claim to your earnings-related pension provider.

When you live abroad, the Centre for International Affairs will help you with questions and problems with your Finnish pension.

Claiming if you live in any other country

Use the Finnish pension claim form to claim a pension from Finland.

GET DISCOUNTS WITH YOUR PENSION CARD

When you get your earnings-related pension, your pension provider will send you a pension card.

You can use your pension card to get discounts for services or products from many companies. Be prepared to show your official ID card, as well, because your pension card does not have a photograph of you.

INTERNATIONAL HOUSE HELSINKI (IHH)

If you have come to Finland to work from abroad, visit International House Helsinki. The service center provides a wide range of information and public authority services.

At IHH, the Finnish Centre for Pensions provides you information about earnings-related pensions, pension insurance and social security.
For example, learn more about

- the A1 certificate,
- which country's social security you are covered by,
- how to check your pension record, and
- how to claim your pension from Finland in due time.

IHH is located on Lintulahdenkuja 2, Helsinki. The service point is open on weekdays from 9 a.m. to 4 p.m.

The **Finnish Centre for Pensions** serves you on a walk-in basis on **Mondays–Wednesdays** (closed between 12 noon and 1 p.m.) or by appointment. Go to etk.vihta.com/etk/#/home (select English in top-right corner of the page) to make the appointment.

Read more about IHH at ihhelsinki.fi.

REMEMBER

- Your pension grows for each euro you make.
- You earn pension benefits in Finland even for short periods of work.
- You get no pension for work you do off the books.
- If you are a **worker**, your employer takes out your pension insurance for you.
- If you are **self-employed**, you must take out pension insurance yourself.
- The pension you have earned is yours even if your employer changes.
- You must apply for your pension when you want to retire.
- Pension that you have earned in Finland is paid to all countries in the world when you retire.
- Check your pension record at www.tyoelake.fi/en › Pension Record to see how much pension you have earned.
- You do **not** earn a pension from Finland if you are a posted worker and certain criteria apply. For more information, go to www.tyoelake.fi/en › New in Finland.

Finnish Centre for Pensions
ELÄKETURVAKESKUS

Service centre for the Finnish statutory earnings-related pension system

Customer service by appointment only either online via our website (www.etk.fi/en › Contact us) or by phone: +358 29 411 2110.

If you are a foreigner coming to work in Finland, we also serve you at **International House Helsinki (IHH)** (Lintulahdenkuja 2) on Mondays, Tuesdays and Wednesdays from 9 a.m. to 12 noon and 1 p.m. to 4 p.m.

www.etk.fi

www.tyoelake.fi