



Statistics from
The Finnish Centre for Pensions

07
2021

Earnings-related pension recipients in Finland 2020

Finnish Centre for Pensions
Official Statistics of Finland
Social Protection 2021

This statistical publication provides information on private and public sector benefits payable under statutory earnings-related pension laws. The earnings-related pension system covers all employees under an employment contract or the self-employed persons whose earnings from work exceed the minimum requirements laid down by law. Private and public sector statutory pension benefits are classified by the EU as Pillar I benefits.

Statistics on earnings-related pension recipients in Finland have been published since 1996. As of 2005, they have been incorporated as part of the Official Statistics of Finland.



Finnish Centre for Pensions
ELÄKETURVAKESKUS

Earnings-related pension recipients in Finland 2020

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ISSN 2343-1342 Earnings-related pension recipients in Finland

Photos: Gettyimages

Pension recipients

All earnings-related pension recipients

More than 1.5 million earnings-related pension recipients

At year-end 2020 earnings-related pensions were paid out to 1,517,000 persons, of whom 35,000 lived abroad. Women accounted for 834,000 (55%) and men for 683,000 (45%) of all earnings-related pensioners.

The overall number of earnings-related and national pension recipients in 2020 totalled 1,618,000. Of them, 94 per cent received an earnings-related pension. Earnings-related pension recipients include all who receive a pension from the private or public sector.



1,517,000

earnings-related
pension recipients

94%

of all pension
recipients received
an earnings-related
pension



Of all earnings-related pension recipients, 1,483,000 received a pension in their own right and 232,000 a survivors' pension. The former consist of those with an old-age, disability, part-time or farmers' special pension. Survivors' pension recipients included 220,000 surviving spouses and 12,000 children. Among those who received a surviving spouse's pension, 198,000 persons also received a pension in their own right.

All recipients of a pension in their own right

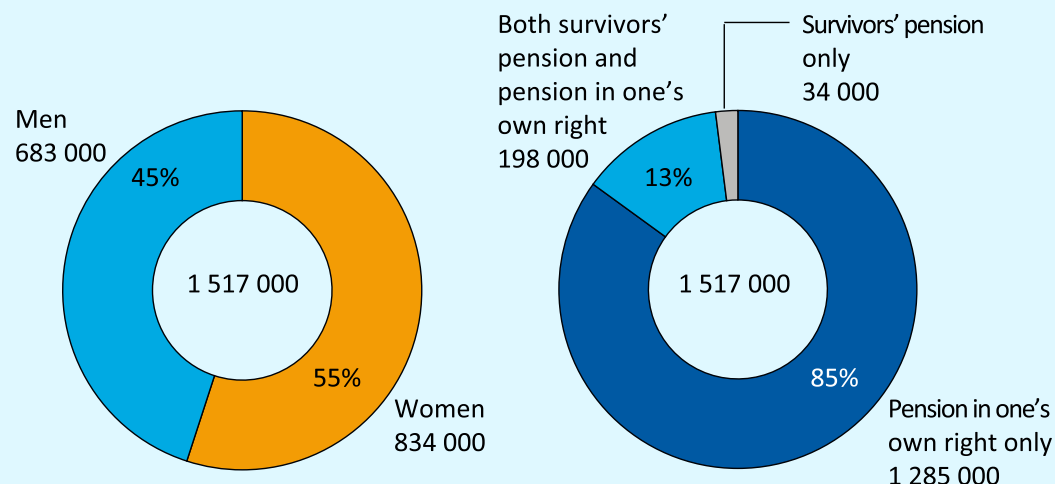
At year-end 2020, a total of 1,483,000 persons received an earnings-related pension in their own right. Of them, 808,000 (55%) were women and 674,000 (45%) men.

The old-age pension was the most common pension benefit. A total of 91 per cent (or 1,352,000 persons) received an old-age pension. Of them, 741,000 were women and 611,000 men. Disability pensions were paid to 130,000 persons. A slight majority of them were women. Special pensions for farmers were paid to 8,000 persons, of whom nearly 70 per cent were women. Around 300 persons received a part-time pension.

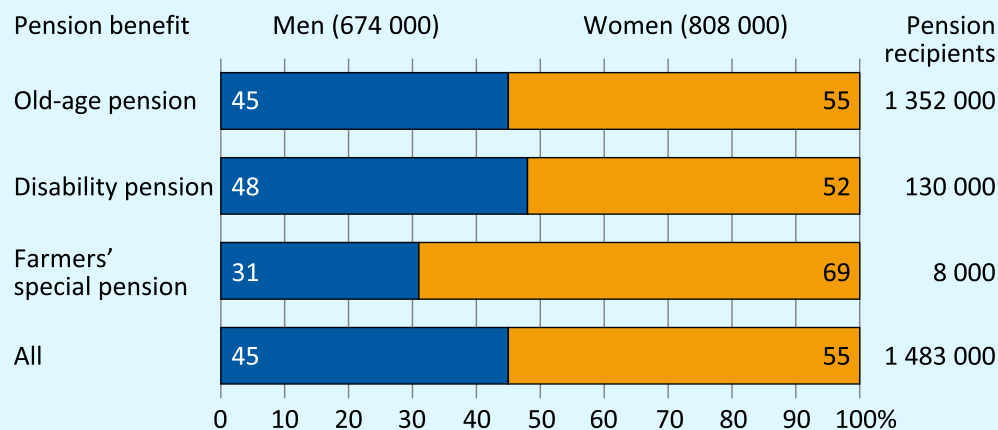


1,483,000 persons received an earnings-related pension in their own right.

All earnings-related pension recipients at 31 Dec. 2020



Recipients of an earnings-related pension in one's own right by pension benefit and gender at 31 Dec. 2020

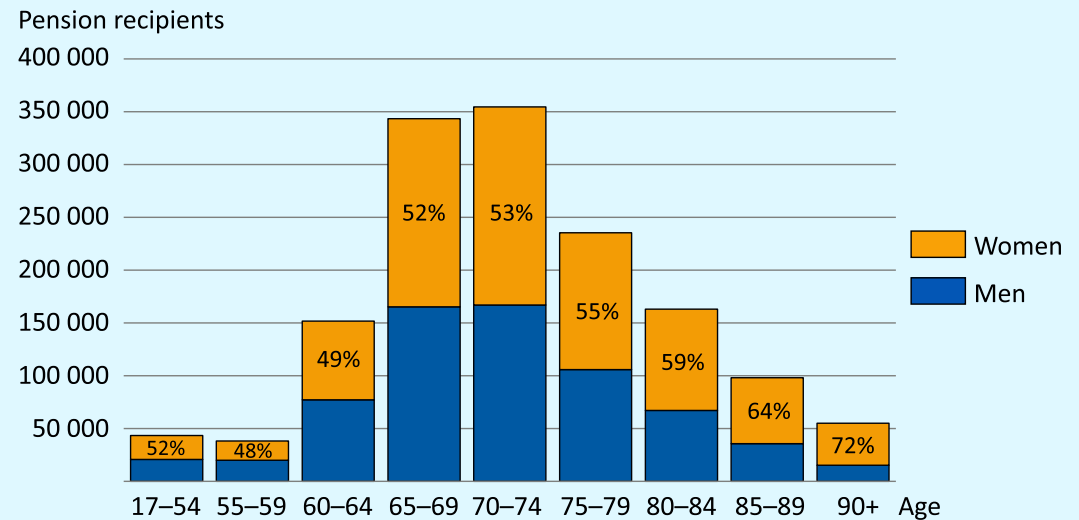


[Data in statistical database](#)

[Year-by-year changes in pension system](#)



Recipients of an earnings-related pension in one's own right by age and gender at 31 Dec. 2020



[Data in statistical database](#)

In 2020, the total number of persons receiving a pension in their own right rose slightly compared to in 2019. When reviewed by pension benefit, the number of old-age pension recipients increased, but the number of other pension benefit recipients decreased.

Majority of recipients of a pension in their own right aged over 65

Of all recipients of a pension in their own right, 84 per cent (1,249,000 persons) were 65 or over at year-end 2020. The largest five-year age groups

were 65–69 and 70–74, totalling nearly 700,000 earnings-related pension recipients. Pension recipients aged 80 and over accounted for nearly one fifth of all recipients of a pension in their own right.

Men outnumbered women only in the age group 55–64, where they counted for slightly more than half. The share of women in the higher age groups was larger: of pension recipients aged 85–89, nearly two thirds (64%) were women. Of those aged 90 or over, slightly less than three fourths (70%) were women.

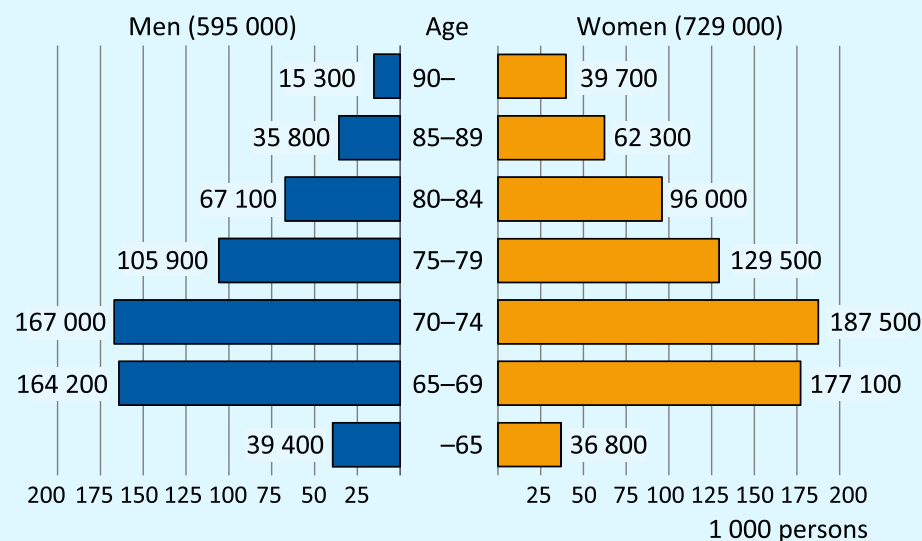
Old-age pension recipients

At year-end 2020, a total of 1,323,000 persons received an earnings-related old-age pension (excluding the partial old-age pension). Of them, 595,000 were men and 729,000 women. The average age of old-age pension recipients was 74.7 years (73.9 for men and 75.4 for women).

One third of old-age pension recipients aged under 70

Six per cent of all old-age pension recipients were under 65 years. The 65–69-year-olds accounted for 26 per cent. In total, those under 70 years accounted for 32 per cent of all old-age pension recipients. Among men the proportion of those under 70 was 34 per cent and among women 29 per cent. The age group 70–74 numbered more than 350,000 (27%) persons. Twelve per cent of old-age pension recipients were over 85. The proportion was higher for women (14%) than men (9%).

Recipients of an earnings-related old-age pension by age and gender at 31 Dec. 2020

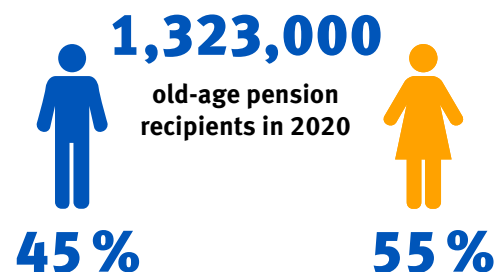


Excludes recipients of a partial old-age pension.

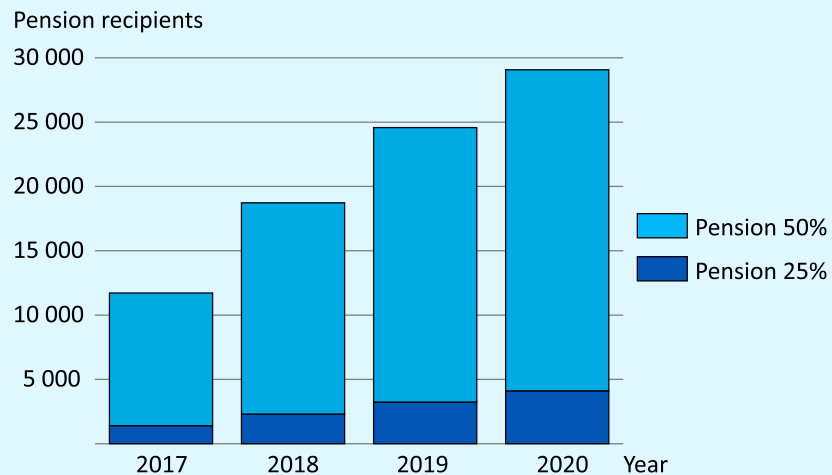
[Data in statistical database](#)



The average age of old-age pension recipients was 74.7 years.



Recipients of a partial old-age pension at 31 Dec. 2017–2020



[Data in statistical database](#)

Majority drew partial old-age pension at 50 per cent rate

The option to retire on a partial old-age pension was introduced from the beginning of 2017. Pension applicants can claim either 25 or 50 per cent of their accrued monthly pension. At year-end 2017, around 12,000 persons drew a partial old-age pension. Since then, the number has grown each year. At year-end 2020, more than 29,000 persons drew a partial old-age pension; among men 58 per cent and among women 42 per cent.

Of the two possible rates of partial old-age pension, the 50 per cent rate has been clearly more common. At the end of 2020, around 86 per cent had selected to take out half of their accrued monthly partial old-age pension. Men favour the 50 per cent rate more than women: among men 90 per cent and among women 80 per cent had claimed their partial pension at the 50 per cent rate.





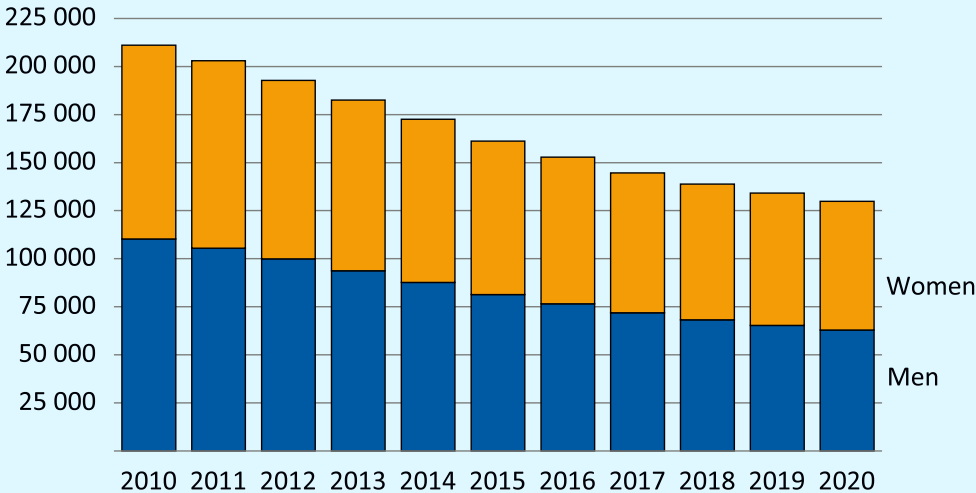
Disability pension recipients

At year-end 2020, around 130,000 persons received a disability pension. This is more than 80,000 less than in 2010, when the number of disability pension retirees was 211,000. The number has dropped for both men and women. In 2020, around 52 per cent of the disability pension recipients were women and 48 per cent men. In 2010, the gender gap was the other way around.

Disability benefits

The disability pension is granted until further notice or for a fixed term in the form of a cash rehabilitation benefit. Both may be awarded to the amount of a full pension or a partial pension. Years-of-service pensions came on stream in 2018, but the number of recipients remains very low. At year-end 2020, years-of-service pensions were paid to 62 persons.

Earnings-related disability pension recipients by gender at 31 Dec. 2010–2020



[Data in statistical database](#)

Of all disability pensions in force in 2020, around 108,000 (83%) were awarded until further notice and 22,000 (17%) were cash rehabilitation benefits. Disability pensions awarded to the amount of a full pension numbered 106,000 (82%) and to the amount of a partial pension 24,000 (18%).

Two thirds of all disability pension recipients aged over 55

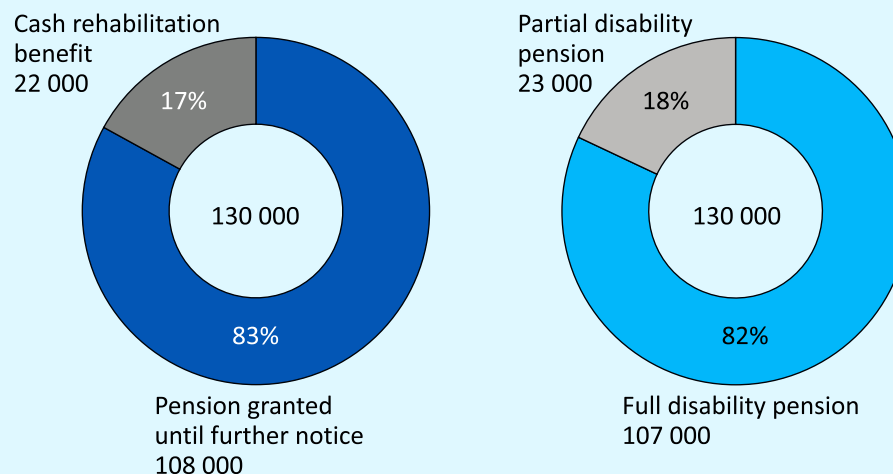
Two thirds of all disability pension recipients were aged over 55 in 2020 while 27 per cent were aged 55–59 and 39 per cent were over 60. Three per cent of disability pension recipients were under age 35.

More than 40 per cent of disability pensions granted on mental health grounds

The number of persons retired due to mental or behavioural disorders at year-end 2020 was 57,000. This was 44 per cent of all disability pension recipients. The proportion for women was 46 per cent and for men 41 per cent. Mental disorders were by far the most common cause of disability retirement.

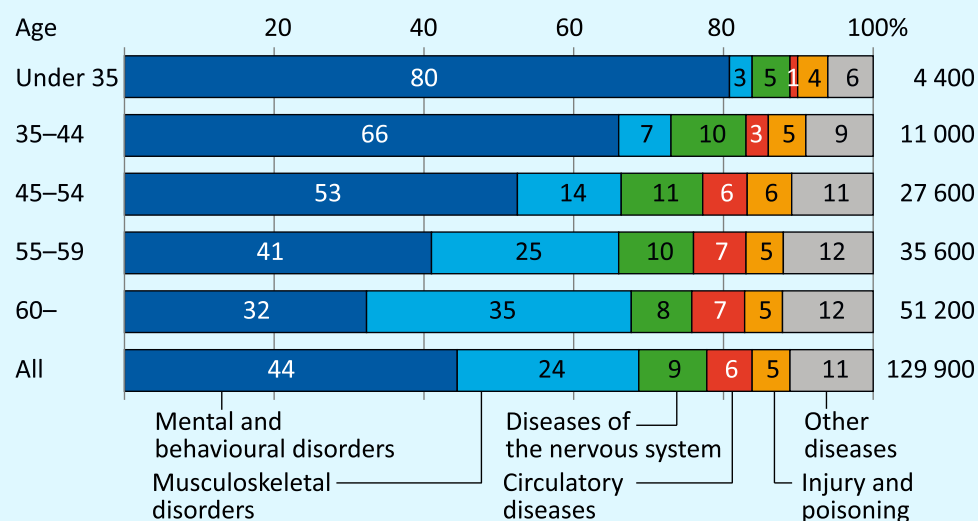
Another major reason were musculoskeletal diseases (32,000), which accounted for one quarter of all disability pensions. The shares for all other main disease categories were less than 10 per cent.

Recipients of an earnings-related disability pension by pension benefit at 31 Dec. 2020



[Data in statistical database](#)

Recipients of an earnings-related disability pension by age and main disease category at 31 Dec. 2020



[Data in statistical database](#)

Four fifths of disability pension recipients under age 35 retired on mental health grounds

The younger the age group of disability pension recipients, the higher the proportion of disability pensions granted for mental disorders. In 2020, mental disorders accounted for 80 per cent of disability pensions in age group under 35.

In age group 35–44 the corresponding figure was 66 per cent and in age group 45–54 it was 53 per cent. In age group 55–59 mental disorders were still the single largest category (41%), but musculoskeletal diagnoses were also a common cause of disability retirement (25%). In age group over 60 both these disease categories accounted for around one third of disability pensions.

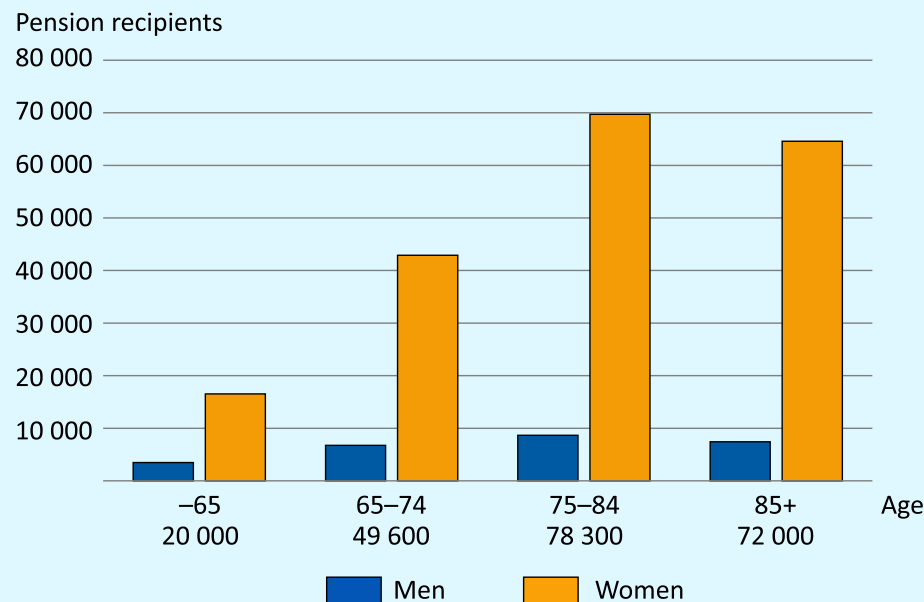
More than 25,000 retired because of depression

In 2020 the number of persons receiving a disability pension on grounds of depression was 24,900. Depression accounted for 44 per cent of all disability pensions awarded due to mental disorders. Depression was a far more common cause of disability among women (15,600) than men (9,300).



Mental disorders are the most common reason for retirement on a disability pension.

Recipients of an earnings-related survivors' pension by age and gender at 31 Dec. 2020



[Data in statistical database](#)

Survivors' pension recipients

In 2020 survivors' pensions were paid out under the earnings-related pension system to 220,000 surviving spouses and 12,000 children. Female surviving spouses numbered 194,000 (88%) and male surviving spouses 26,000 (12%).

Nearly 70 per cent of all recipients of a surviving spouse's pension were over 75 years of age. Surviving spouses aged 75–84 accounted for 36 per cent and older surviving spouses for 33 per cent. One in ten recipients of a surviving spouse's pension was under age 65.

New retirees

New retirees on an earnings-related pension in 2020

In 2020, new retirees on an earnings-related pension numbered 61,300 persons, of whom 52 per cent were women and 48 per cent men. The majority of new retirees, nearly 42,100 persons, retired on an old-age pension. Around 19,100 of the new retirees retired on a disability pension and 200 persons on a farmers' special pension.

Compared to 2019, the number of new earnings-related pension recipients declined by 3,600 persons in 2020. The number of new retirees declined for all pension benefits.

69%

of all new retirees retired
on an old-age pension

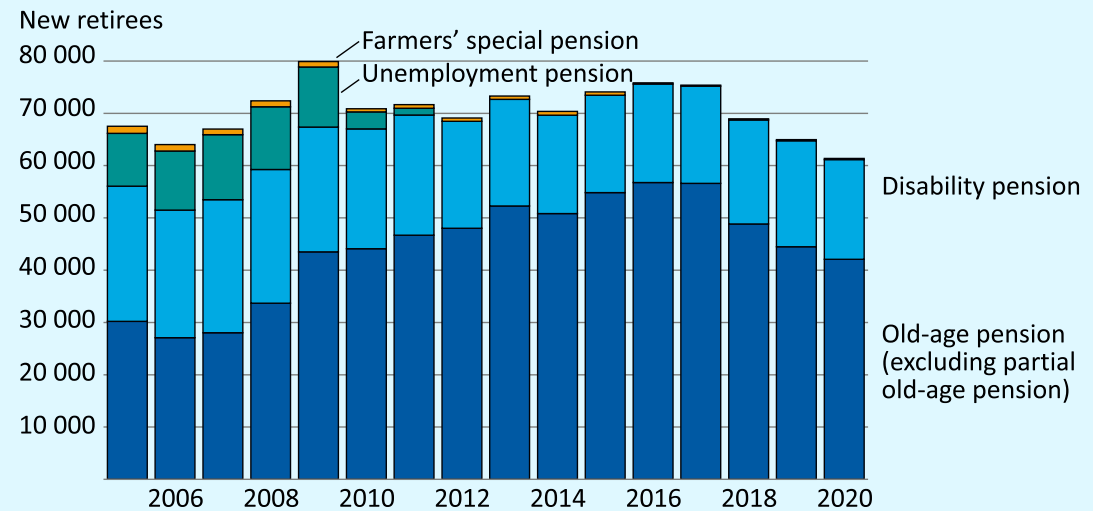


Number of new retirees declined in 2020

In 2005 the number of new retirees was 67,000. In 2006, the number dipped but increased again until 2009 as baby boomers headed into retirement. At this point the number of new retirees on an earnings-related pension reached a record of around 80,000. The figure then remained steadily at around 70,000 until 2017. Since then, the number of new retirees on an earnings-related pension has declined. This has been due to the falling number of new retirees on an old-age pension, which in turn is mainly explained by the rising retirement age.

At the same time the number of new disability retirees has slightly increased. In 2014–2017 the annual number of new retirees on a disability pension averaged around 18,500, but in 2018 and 2019 the figure edged up to around 20,000. In 2020, the number took a downward turn again as around 19,000 persons retired on a disability pension.

New retirees on an earnings-related pension by pension benefit in 2005–2020



[Data in statistical database](#)



The number of new retirees has decreased over the past four years.



19,100

new retirees on a
disability pension



42,100

new retirees on an
old-age pension

Retirement on an old-age pension

In 2020, a total of 42,100 persons retired on an old-age pension. Of them, 21,900 (52%) were women and 20,200 (48%) men. Persons choosing to take payment of a partial old-age pension are not included in the figures for all new old-age retirees; they are only included in the statistics for new retirees in the year when they retire on a full old-age pension or when they begin to receive a disability pension.

Most retire on an old-age pension at age 63

Roughly half (48%) of the new retirees on an old-age pension in 2020 retired at age 63; among men the figure was 52 per cent and among women 45 per cent.

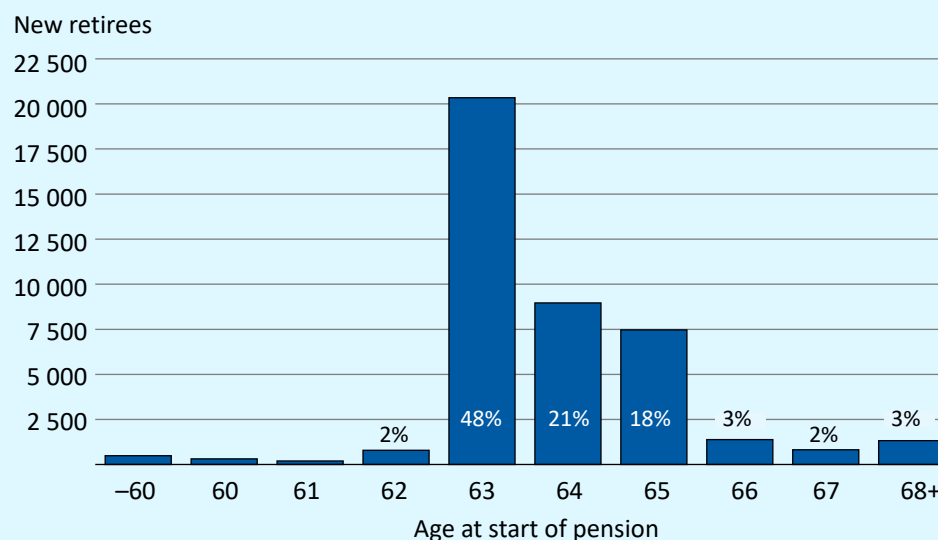
The next most common retirement ages were 64 years (21%) and 65 years (18%). Those who retired at age 68 or older accounted for three per cent of all new old-age retirees. The average age of new retirees on an old-age pension in 2020 was 64 years.

Number choosing to take a partial old-age pension reaches 13,000

In 2020, there were a total of 13,000 new recipients of a partial old-age pension (7,300 or 56% were men and 5,700 or 44% were women).

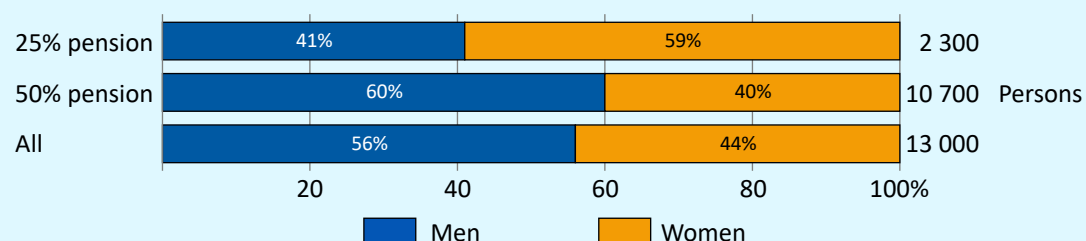
The majority or 10,700 (82%) chose to take out 50 per cent of their accrued monthly pension. Among men the proportion choosing this option was 87 per cent and among women 76 per cent.

New retirees on an earnings-related old-age pension in 2020



[Data in statistical database](#)

Partial old-age pensions starting by share of pension taken out in 2020



[Osittainen varhennettu vanhuuseläke ja työuraeläke \[Partial early old-age pension and years-of-service pensions; only in Finnish\]. Eläketurvakeskuksen tilastoja 2/2021.](#)



Nearly half of all new retirees on an old-age pension retired at age 63.



New retirees on a disability pension

The total number of new disability retirees in 2020 was 19,100, of whom 53 per cent (10,200 persons) were women and 47 per cent (8,900 persons) were men.

Of all new retirees on a disability pension, 57 per cent received a fixed-term cash rehabilitation benefit and 43 per cent a disability pension granted until further notice.

A majority retired on a full disability pension

Of all new retirees on a disability pension, around 70 per cent retired on a full disability pension and around 30 per cent on a partial disability pension in 2020. A total of 13,500 persons retired on a full disability pension. Of them, 7,100 (52%) were

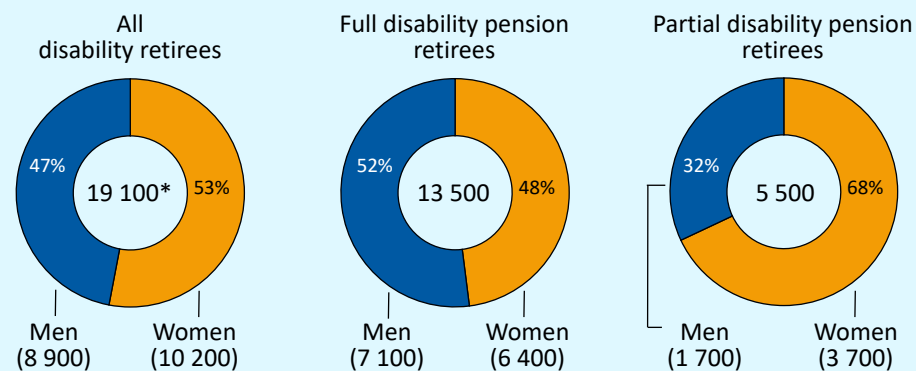
men. A total of 5,500 persons retired on a partial disability pension. Of them 1,700 (32%) were men.

Partial disability retirees older than retirees on a full pension

In 2020, the average age of all new disability pension retirees was 52 years. The average age of persons retiring on a full pension was 50 years, for those retiring on a partial disability pension it was 56 years.

Over 70 per cent of new partial disability retirees were aged at least 55 years. Among new retirees on a full disability pension, half (50%) were aged 55 or over. Persons under 35 accounted for 15 per cent of all retirees on a full disability pension but for only three per cent of those retiring on a partial disability pension.

New retirees on an earnings-related disability pension by gender in 2020



*Includes new retirees on a years-of-service pension (73 persons).

[Data in statistical database](#)

Mental disorders the most common cause of disability retirement

In 2020, mental and behavioural disorders were the most common cause of retirement on a disability pension. A total of 6,300 persons (33%) retired on a disability pension because of mental disorders and 5,900 persons (31%) because of musculoskeletal diseases. The figures for all other main disease categories were less than 10 per cent.

In 2019 mental and behavioural disorders were the most common cause of retirement on a disability pension for the first time. In previous years it was more common to retire due to musculoskeletal disorders.

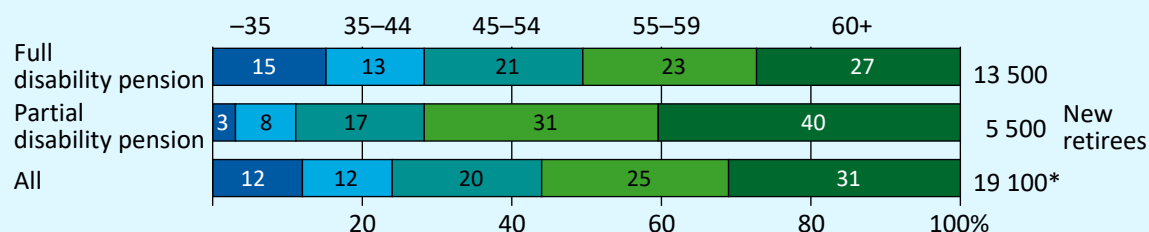
Retirement on mental health grounds was by far more common among women (37%) than men (29%). Musculoskeletal disorders accounted for 32 per cent of women's and for 30 per cent of men's disability retirement.

Full disability retirement mainly on mental health grounds while partial disability retirement mainly due to musculoskeletal disorders

Mental disorders accounted for 38 per cent and musculoskeletal disorders for 24 per cent of all new full disability pensions.

Almost half (47%) of all new partial disability retirees retired due to musculoskeletal disorders, while mental disorders accounted for around one fifth (22%).

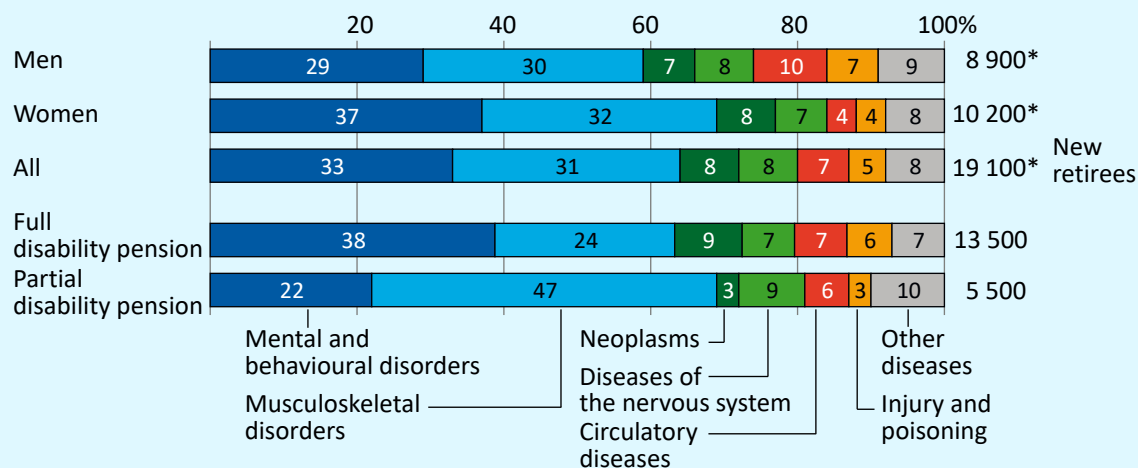
New retirees on an earnings-related disability pension by age in 2020



*Includes new retirees on a years-of-service pension (73 persons).

[Data in statistical database](#)

New retirees on an earnings-related disability pension by main disease category in 2020



*Includes new retirees on a years-of-service pension (73 persons).

[Data in statistical database](#)

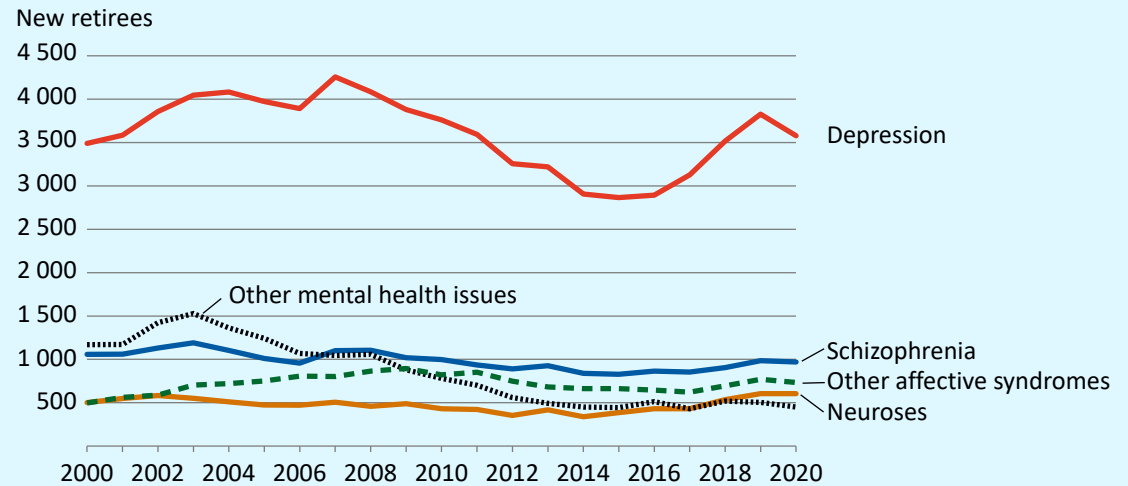
Depression a common cause of retirement

Around one in five or 3,600 new disability retirees in 2020 retired due to depression. Among women the figure was 23 per cent and among men 14 per cent.

The number of persons retiring on a disability pension due to depression increased in the early 2000s. The figure peaked in 2007 when depression was the main cause of disability for 4,300 new retirees.

The number of pensions granted on grounds of depression declined after 2007 and continued on a downward trend through to 2015, when annually some 2,900 persons retired because of depression. After that, disability due to depression increased again until 2019. In 2020, it declined once again.

Persons retiring on a disability pension due to mental disorders in 2000–2020



3,600

retired due to
depression



Of new retirees, nearly 23 per cent of the women and 14 per cent of the men retired due to depression.

Size of pension

Average and median earnings-related pension in one's own right

This section examines recipients of an earnings-related pension in one's own right, that is, based on one's working life, payable as an old-age, disability or farmers' special pension. Persons drawing a partial old-age pension are not included among old-age pension recipients. The figures indicated are gross pension amounts before taxes.

Women's and men's earnings-related pensions differ markedly

The average monthly earnings-related pension in one's own right in 2020 was 1,594 euros. The average pension for men was 1,917 euros and for women 1,327 euros. In other words, the gap between men's and women's average earnings-related pensions was almost 600 euros.

Gender gap in median pension slightly smaller than in average pension

The median earnings-related pension was 1,456 euros a month (that is, half of the recipients get a higher and half a smaller pension than the median pension). Men's median earnings-related pension was 1,743 euros and women's 1,256 euros. Thus, the median for men was around 500 euros higher than for women.



The gap between men's and women's average and median monthly pensions is comparatively large. Women's pensions are smaller mainly due to women's shorter working life and lower average wages compared to men's. The older the pension recipient, the lower their average earnings-related pension. Older pensioners have had less time to build up their pension pot since the introduction of earnings-related pension acts.

Average monthly old-age pension 1,634 euros

The average monthly earnings-related old-age pension in 2020 was 1,643 euros. Women's average was 1,358 euros and men's 1,992 euros. The gap in the average monthly pension of men and women was 630 euros.

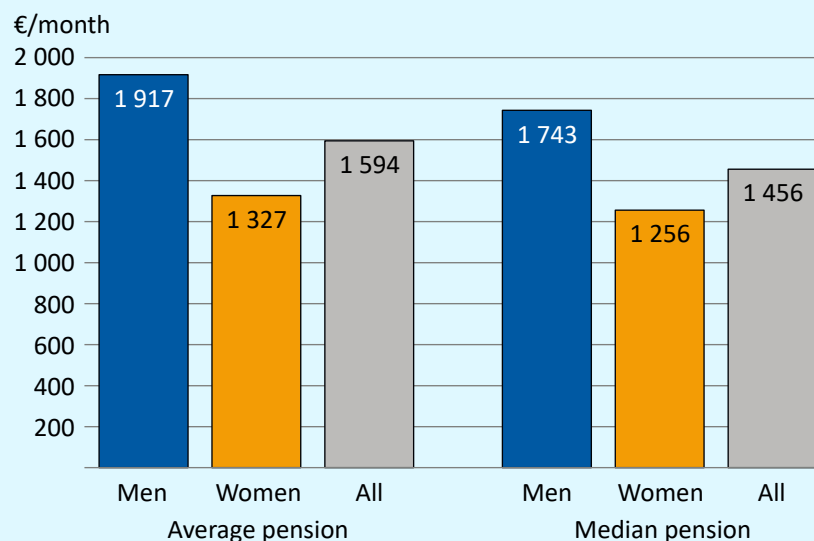
The median earnings-related old-age pension was 1,503 euros a month (€1,293 for women and €1,807 for men).

Gender gap less pronounced among disability pension recipients

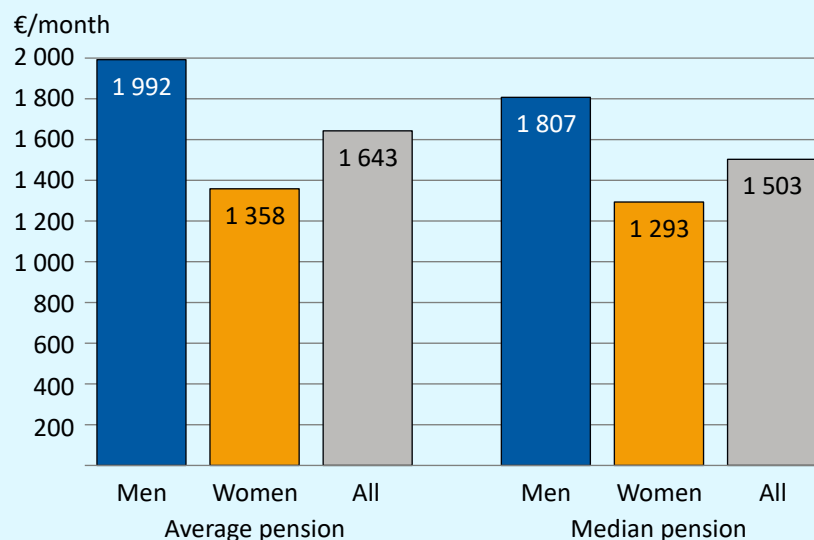
The average monthly earnings-related disability pension in 2020 was 1,159 euros, the median 1,131 euros.

The gender gap in average and median pensions was clearly smaller among disability pension recipients than among old-age pension recipients. Women's average monthly disability pension was 1,062 euros and men's 1,248 euros. The gender gap in average monthly disability pensions was 190 euros.

Average and median earnings-related pensions in one's own right at 31 Dec. 2020



Average and median earnings-related old-age pension at 31 Dec. 2020



[Data in statistical database \(average pension\)](#)

[Data in statistical database \(median pension\)](#)

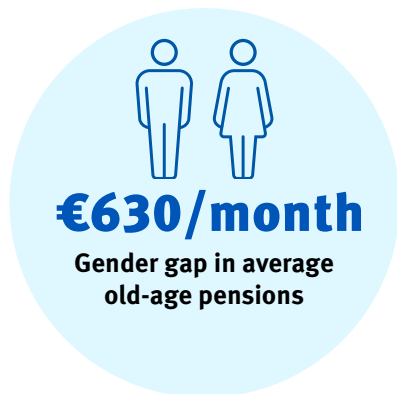
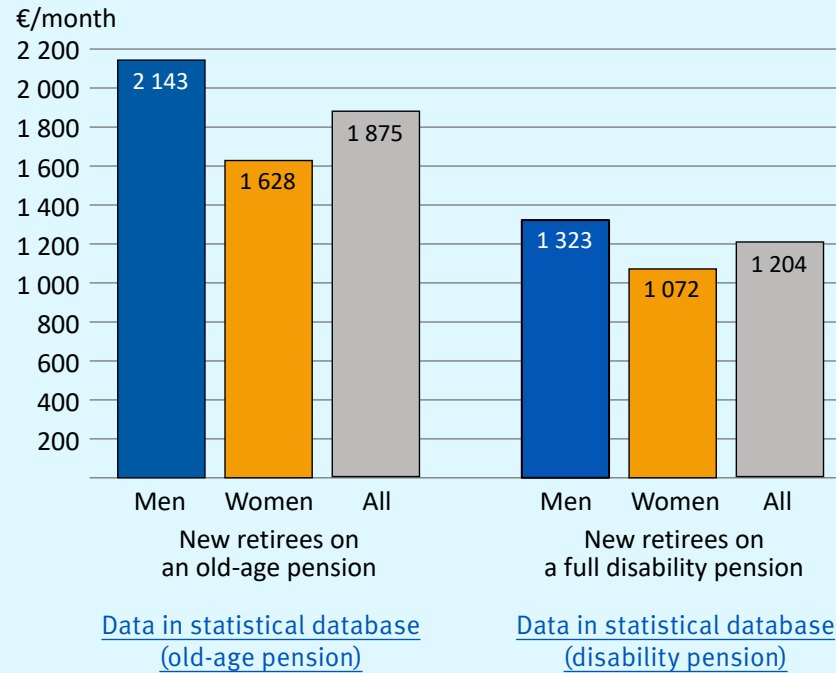
The gap was the same for median pensions. Women's median disability pension was 1,066 euros and men's 1,219 euros a month.

Average pension of new retirees on an earnings-related pension

The average pension of those retiring on an earnings-related old-age pension in 2020 was 1,875 euros a month. Women's average was 1,628 euros and men's 2,143 euros. Women's average monthly earnings-related pension was 515 euros lower than men's.

The average monthly pension of new full disability retirees was 1,204 euros. Women's average earnings-related full disability pension was 1,072 euros and men's 1,323 euros a month. Women's average pension was 250 euros lower than men's.

Average earnings-related old-age and disability pensions of new retirees in 2020



Survivors' pension

Average monthly earnings-related survivors' pension 647 euros

The average earnings-related survivors' pension in 2020 was 647 euros a month. Women's monthly survivors' pension averaged 686 euros and men's 360 euros.

The average monthly survivors' pension granted to children under the earnings-related pension system was 517 euros.

Pension recipients abroad

Two per cent of earnings-related pension recipients reside abroad

At year-end 2020 earnings-related pensions were paid from Finland to 34,900 persons residing abroad. This is around two per cent of all earnings-related pension recipients.

Most pensions paid abroad are old-age pensions

Almost 31,000 (90%) of all earnings-related pension recipients abroad received an old-age pension. Survivors' pension recipients numbered 4,200 (12%) and disability pension recipients 1,200 (3%). Over half (53%) of the earnings-related pension recipients who reside abroad were women.



34,900 earnings-related pension recipients resided abroad in 2020.

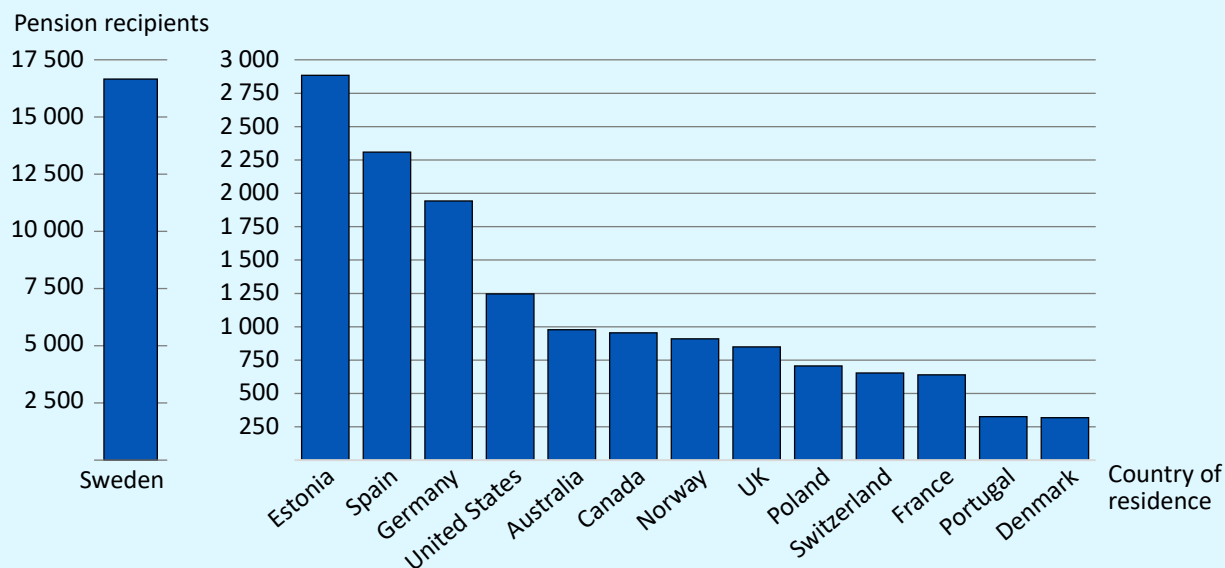


Half of all pensions go to Sweden

In 2020, there were 14 countries where more than 300 persons received an earnings-related pension from Finland. Nearly half of all pension payments abroad (16,700) went to Sweden. The next biggest destinations were Estonia (2,900), Spain (2,300) and Germany (1,900).

The average monthly earnings-related pension payment abroad was 575 euros. Among countries where payments were made to at least 300 persons, the average monthly pension of earnings-related pensioners was highest in Portugal at 2,978 euros, followed by Spain (€1,653) and France (€1,539). The average pension of earnings-related pension recipients living in Sweden was 303 euros a month.

Countries to which earnings-related pensions were paid from Finland to at least 300 persons at 31 Dec. 2020



[Data in statistical database](#)



Of pension recipients residing abroad, 53 per cent were women and 47 per cent men.

16,700

Half of pensions paid to Sweden

90%

of pension recipients residing abroad received an old-age pension

Pension expenditure

Earnings-related pension expenditure as a proportion of total pension expenditure

Total pension expenditure in 2020 came to 33.3 billion euros. Earnings-related pension expenditure amounted to 29.7 billion euros (89%) and national pension expenditure to 2.5 billion euros (8%). A total of around one billion euros was paid out in optional pensions and special provision pensions.

The private sector accounted for 18.8 billion euros (63%) and the public sector for 10.9 billion euros (37%) of earnings-related pension expenditure. Less than one per cent of all earnings-related pensions were paid abroad, to an amount of 244 million euros.

€29.7 bn

Pension expenditure
in 2020



Earnings-related pension expenditure by pension benefit

In 2020 old-age pensions accounted for 26.2 billion euros (88%) of earnings-related pension expenditure. Disability pension payments totalled 1.7 billion euros (6%) and survivors' pension payments 1.7 billion euros (6%). Expenditure on farmers' special pensions amounted to 40 million euros and on part-time pensions to six million euros.

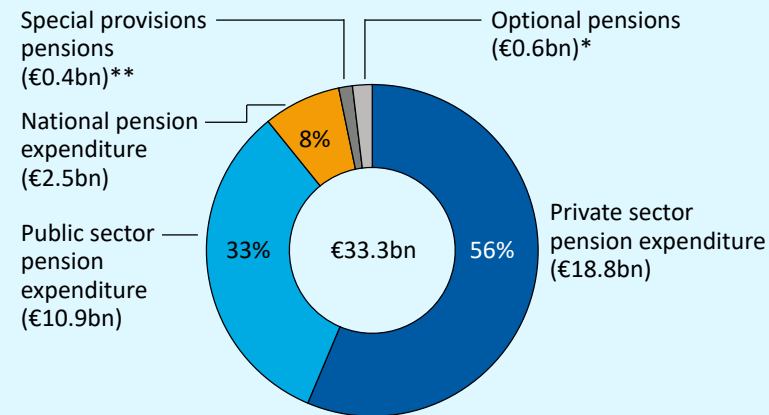


Earnings-related pension expenditure accounted for 89 per cent of total pension expenditure.

88%

Old-age pension expenditure of total earnings-related pension expenditure

Total pension expenditure in 2020

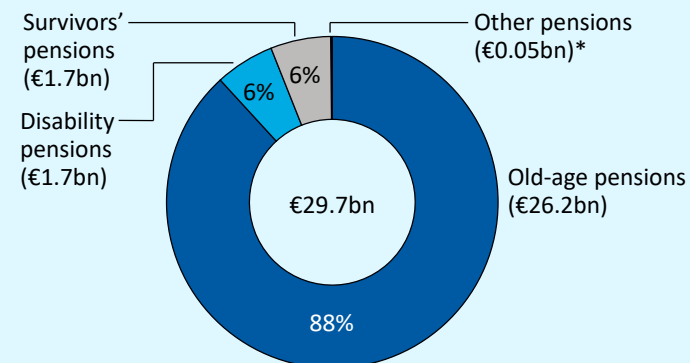


* Unregistered supplementary pensions paid by employers.

**Occupational Accidents, Injuries and Diseases Act, Motor Liability Insurance Act, Military Accidents Act and Military Injuries Act.

[Data in statistical database](#)

Earnings-related pension expenditure by pension benefit in 2020



*Farmers' special pensions 40 million euros and part-time pensions 6 million euros.

[Data in statistical database](#)

Statistics from the Finnish Centre for Pensions

The Finnish Centre for Pensions is a developer, expert and joint service producer of statutory pension provision. The Statistics series includes statistics from the various areas of pension provision. The statistics are based on register data of the pension system.



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