



Statistics from
the Finnish Centre for Pensions



Persons insured for an earnings-related pension in Finland 2021

Finnish Centre for Pensions
Official Statistics of Finland

In Finland, all paid work and self-employment undertaken between the ages of 17 and 68 must be insured for earnings-related pension benefits. The obligation to take out pension insurance starts from the beginning of the month following the person's 17th birthday and ends at the end of the month of the 68th birthday. For the self-employed, the obligation to take out pension insurance starts at age 18.

Earnings-related pension accrues on paid work and self-employment. The amount of pension is calculated on the basis of the person's annual earnings and an age-based accrual rate. Pension also accrues under certain conditions for specified unsalaried periods, such as spells of unemployment or parental leave. Pension also accrues for the child home care allowance and for degree studies.

This publication includes the 17–68-year-olds covered by Finnish earnings-related pension acts. It presents information on those insured for an earnings-related pension, those who are retired and on the earnings of wage earners who have accrued pension. Social benefits that affect the amount of the earnings-related pension are also included.



Persons insured for an earnings-related pension in Finland 2021

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Photos: Gettyimages, Markus Pentikäinen

All persons covered by the earnings-related pension scheme

At year-end 2021, approximately 3,757,000 persons were covered by the earnings-related pension scheme. 1,933,000 of them were men and 1,823,000 women. The 17–68-year-olds are classified as working age people.

Persons covered by the earnings-related pension scheme are defined as those between ages 17 and 68 who, by the end of 2021, had been in paid employment or self-employment under private or public sector pension acts. Persons receiving a pension based on their employment history are also covered.



3.8 million

working-aged covered by
the earnings-related
pension system at
year-end 2021



Two out of three working at year-end

Two thirds of all 17–68-year-olds insured under the earnings-related pension scheme were in employment at the end of 2021. More than 10 per cent were retired.

One quarter of those of active age were neither employed nor retired on a pension, but they had accrued pension from previous years. This group consists of, among others, students, the unemployed and others outside the labour force. Two thirds of them were not employed at all during 2021.

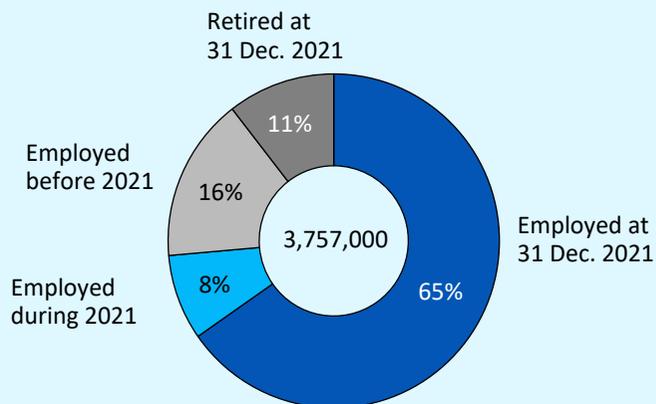
Since the earnings-related pension system comprises most persons of working age in Finland, the changes seen in the number of persons covered reflect wider demographic changes. Changes to legislation and age limits will also impact these numbers. Slightly less than 10,000 working age people die each year.

In the last ten years, the number of persons aged 17–68 covered by the earnings-related pension scheme has grown by around 110,000 persons. Some of this increase is because the age limit for the obligation to take out insurance decreased in 2017.



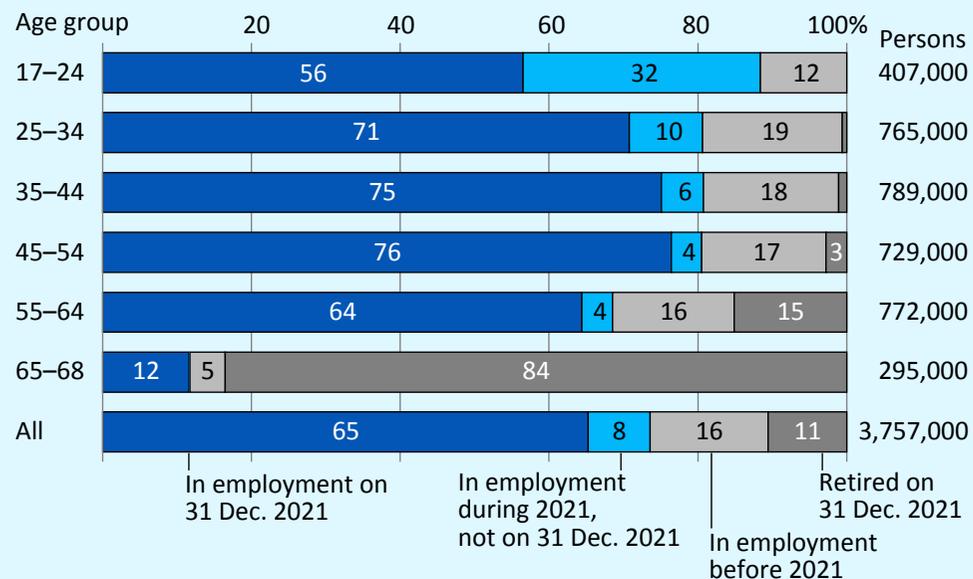
11% of all covered by the earnings-related pension system were retired.

Persons aged 17–68 years covered by the earnings-related pension system on 31 December 2021, by employment and retirement status



[Data in statistical database](#)

Persons aged 17–68 years covered by the earnings-related pension system on 31 December 2021, by employment and retirement status and age group



[Data in statistical database](#)

Persons in employment at year-end 2021

At year-end 2021, a total of 3.4 million persons were working and insured for earnings-related pension benefits. Of them, nearly 2.5 million were working at year-end: an ample 1.8 million of them in the private sector and more than 710,000 in the public sector. More than 90,000 worked simultaneously in both sectors.

At year-end 2021, the number of insured persons who were working returned to the pre-corona level.

The Finnish labour market is heavily gendered. The proportion of men in the private sector is 59 per cent, compared to 27 per cent in the public sector. Women's overrepresentation is most pronounced in the municipal sector, where 77 per cent of employees are women.



2.5 million persons insured under earnings-related pension system were in employment at year-end 2021.



Working people covered by separate earnings-related pension acts

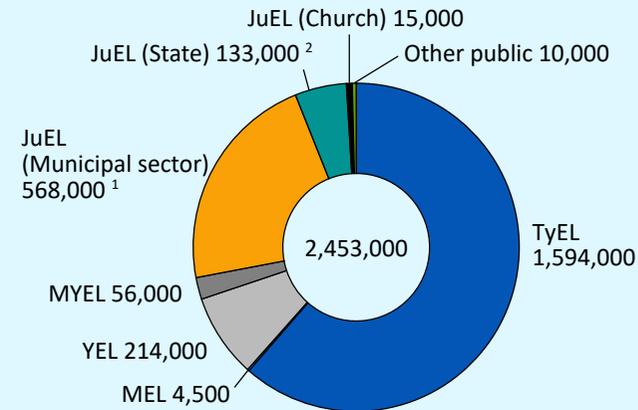
Most employees, more than 1.6 million, worked in the private sector with pension cover under the Employees Pensions Act (TyEL) at year-end 2021. The second largest number of insured persons was recorded for the municipal sector (Public Sector Pensions Act (JuEL)/municipal) at almost 568,000. The number of insured persons in the state sector (JuEL/State) was 133,000.

Self-employed persons insured under YEL numbered 214,000 at the end of 2021. Persons covered by the Farmers' Pensions Act (MYEL) numbered 56,000.

Although the overall number of employed persons covered by the earnings-related pension scheme has steadily increased over the past decade, there has been some movement in the relative shares of different earnings-related pension acts.

The number of persons insured under MYEL has been falling for decades and continued to do so in 2021. While the number of farmers has dwindled, the number of other self-employed persons has been rising. The role of the State as an employer has also been curtailed: the number of persons employed in the state sector has fallen appreciably over the past decade.

Insured persons in employment or self-employment on 31 December 2021, by pension act



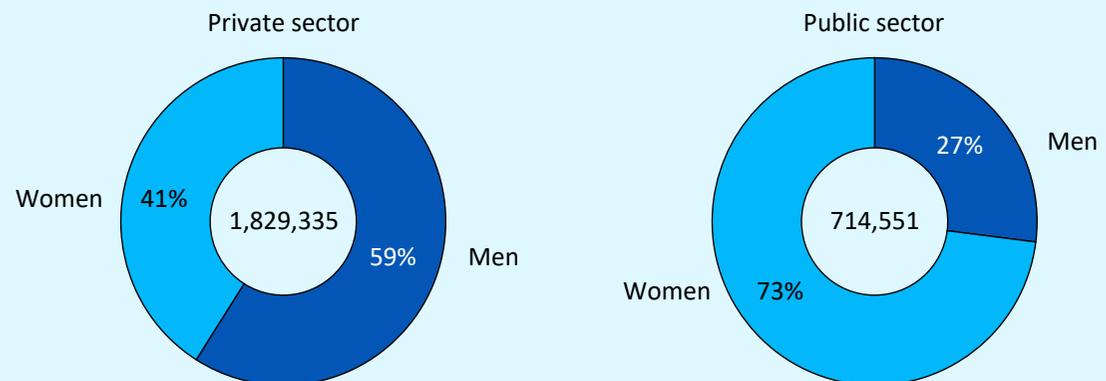
[Data in statistical database](#)

A person may be insured simultaneously under different pension acts. At year-end 2021, a total of 2.5 million persons were insured for an earnings-related pension.

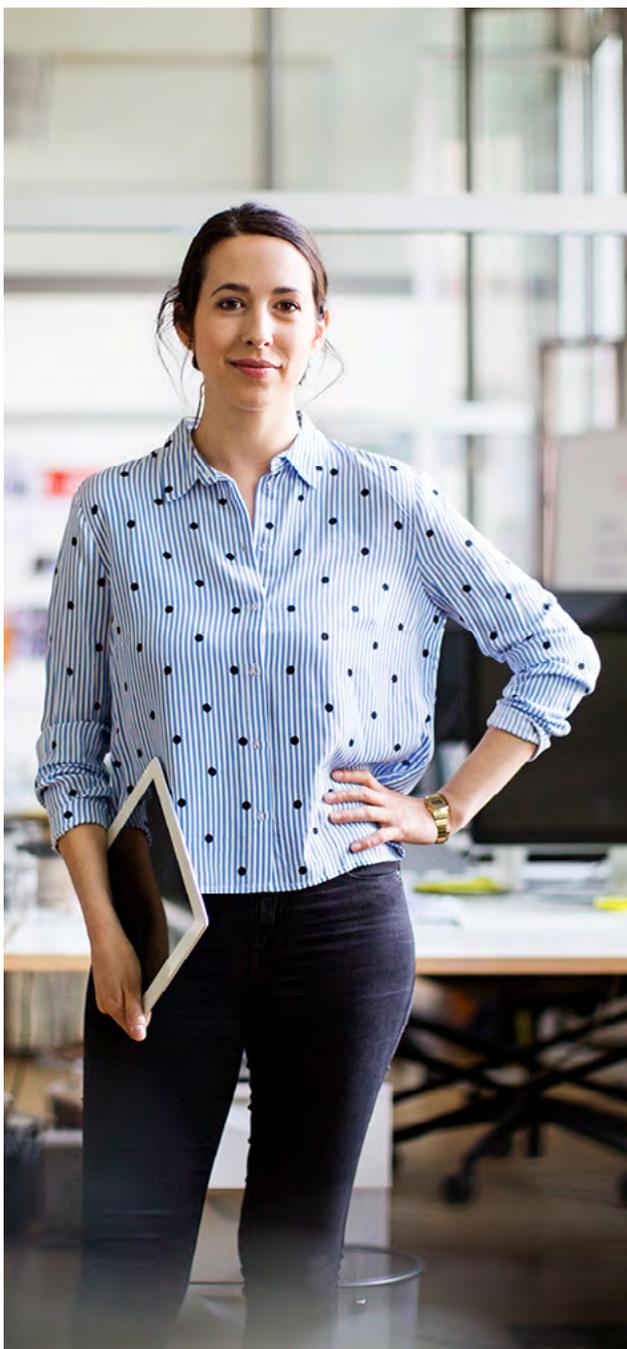
1) Includes, among others, 42,000 family caregivers, private care providers and persons elected to a position of trust covered by JuEL (municipal).

2) Includes, among others, 8,000 board members, consultants and Members of Parliament covered by JuEL (State).

Working in private and public sector on 31 December 2021, by gender



[Data in statistical database](#)



Insured persons in employment or self-employment on 31 December 2021, by pension act

Pension act	Employed on 31 Dec. 2021 covered by act, number of persons	Pension act's share of system, %
TyEL	1,594,354	61.4
MEL	4,513	0.2
YEL	214,497	8.3
MYEL	55,923	2.2
JuEL (municipal) ¹	568,286	21.9
JuEL (State) ²	132,634	5.1
JuEL (Church)	15,004	0.6
JuEL (Kela)	8,360	0.3
Regional Government of the Åland Islands	878	<0.1
Bank of Finland	735	<0.1

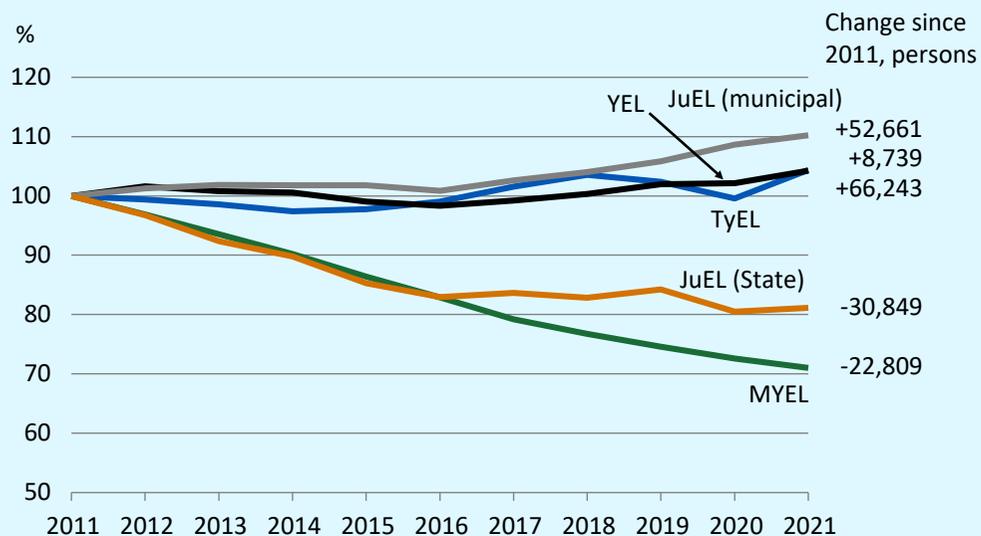
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2) Includes, among others, 8,000 board members, consultants and Members of Parliament covered by JuEL (State).

[Data in statistical database](#)

Persons working at year-end in 2011–2021 by pension act, major pension acts, 2011=100



[Data in statistical database](#)

First-time coverage under earnings-related pension acts

In 2021, a total of 95,000 persons gained first-time coverage under the earnings-related pension scheme. That was a 25-per-cent increase compared to 2020 and nearly a return to pre-corona levels.

Most persons gaining first-time coverage under earnings-related pension acts are employed in the private sector. In 2021, the private sector accounted for 86 per cent of all first-timers. 56 per cent of them were men. In the public sector, 63 per cent of those gaining first-time coverage were women.



86 per cent of first-time insured worked in the private sector.





Economic situation and legislative changes affect the number of new insured persons

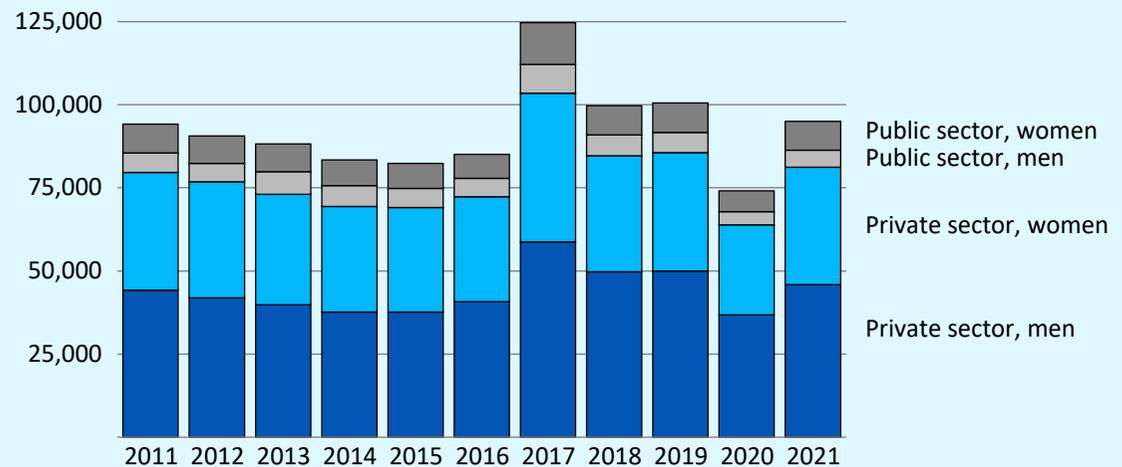
Each year close to 100,000 persons gain first-time coverage under the earnings-related pension scheme, most of whom are young people starting out on their labour market career. The economic situation and legislative changes considerably affect the number of new insured persons.

The number of first-timers was exceptionally high in 2017 when the age limit for insurance obligation was lowered to 17 years.

On the other hand, in 2020, the number of first-timers was exceptionally low, only 74,000 persons. The last time the number of new insured was that low was during the recession caused by the financial crisis in 2009.

In 2021, the number of new insured persons in the earnings-related pension system was 95,000, which is six per cent lower than the pre-pandemic figure.

First-time covered under the earnings-related pension system in 2011–2021, by sector and gender



Before 2017, persons were covered by the earnings-related pension acts as of age 18. For the self-employed, the age limit is still 18 years.

Benefits registered for unsalaried periods

As of the beginning of 2005, earnings-related pension has also accrued from certain unsalaried periods, including time spent in childcare, studying and spells of unemployment and illness. Earnings eligible for pension benefits are either a specified share of earned income based on which the benefit is determined or a fixed euro amount that is determined based on the benefit.

Even before the 2005 pension reform, pension benefits accrued for periods of earnings-related unemployment allowance, rehabilitation under earnings-related pension acts and labour policy education.

In 2021, benefits for unsalaried periods and under the Act on Compensation for Pension Accrual from State Funds for Periods of Childcare and Periods of Study¹ were registered for a total of 1.1 million persons. The number of persons receiving benefits were 11 per cent less than in 2020.

¹ Act on compensation for Pension Accrual from State Funds for Periods of Childcare (of child under the age of three) and Periods of Study (VEKL).



Number of sickness benefit recipients grew

In 2021, unemployment benefits were paid to around 657,000 persons. That was 24 per cent less than in 2020, when exceptionally many received unemployment compensation due to the corona pandemic.

More people than before were paid a daily allowance in 2021 for the period they were ill. The number of people receiving sickness benefits grew to 228,700 persons, which is 27 per cent more than in 2020. Most of the growth can be explained by the number of persons (66,000 persons) receiving an infectious disease allowance. Before the corona pandemic, less than 100 persons received an infectious disease allowance per year.

Nearly as many women as men received unemployment benefits. The majority of benefit recipients under motor liability and occupational accident insurance were men; for all other benefits, the majority of recipients were women.



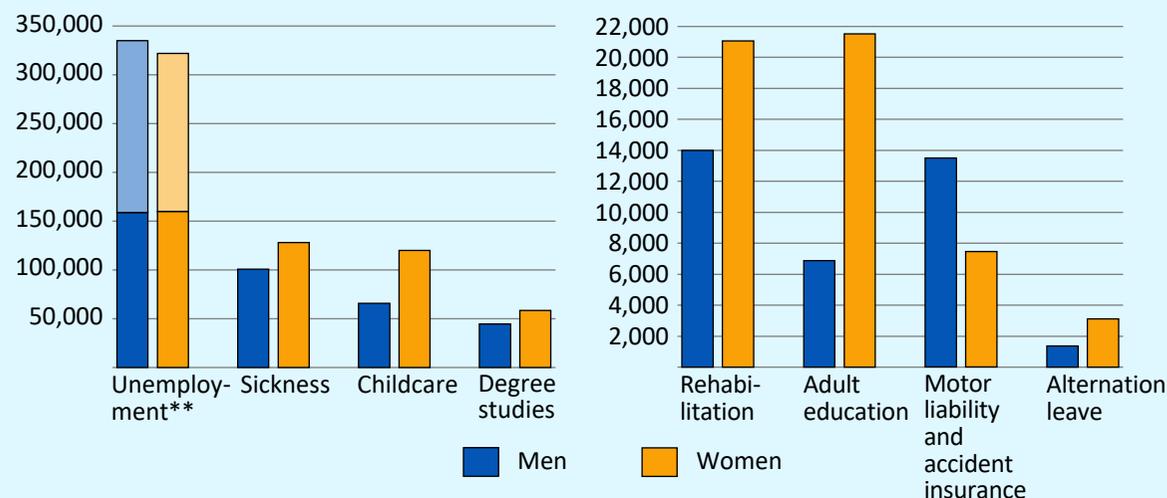
Number of recipients of unemployment benefits fell compared to 2020.

Persons registered in 2021 as recipients of benefits for unsalaried periods and under VEKL*, by benefit and gender

Benefit	All, number of persons	Men, %	Women, %
Unemployment	656,953	51	49
Sickness	228,671	44	56
Childcare	185,696	35	65
Degree studies	102,825	43	57
Rehabilitation	35,057	40	60
Adult education	28,397	24	76
Motor liability and accident insurance	20,970	64	36
Alternation leave	4,478	30	70
All	1,097,144	47	53

* Act on compensation for Pension Accrual from State Funds for Periods of Childcare (of child under the age of 3) and Periods of Study.
A person may receive several pension benefits in one and the same year.

Persons registered in 2021 as recipients of benefits for unsalaried periods and under VEKL*, by benefit



* Act on compensation for Pension Accrual from State Funds for Periods of Childcare (of child under the age of 3) and Periods of Study.

** Bottom part of column = Earnings-related daily allowance. Top of column = Basic unemployment daily allowance and labour market support, for which no pension accrues, although they are considered in the calculation of the projected pension component.

A person may receive several pension benefits in one and the same year. In this case the person will be included in the figures for all pension benefits they have been registered for.

Employees' insured earnings

In 2021, a total of 2.6 million employees accrued earnings-related pension benefits. Slightly over half of them were women. The number of employees in the private sector was more than 1.9 million and in the public sector 860,000.

Employees' average monthly insured earnings² in 2021 were nearly 3,190 euros. The average for men was 3,620 euros and for women 2,780 euros. Women's average earnings were around 830 euros smaller than men's.

As the distribution of employees' earnings is heavily skewed, median earnings provide a more accurate measure of the average. In 2021, employees' median monthly earnings were 2,890 euros. The median monthly earnings of men was 3,240 euros and of women 2,610 euros. Women's median monthly earnings were thus 620 euros smaller than men's.

² Average monthly earnings are calculated by dividing annual insured earnings by number of months in employment.



Wage level under different pension acts

A comparison of the major earnings-related pension acts shows that average earnings are highest in the state sector and lowest in the female-dominated municipal sector. The gender gap in median earnings in 2021 was smallest in the municipal sector (8%) and largest among employees covered by TyEL (27%).

One of the reasons behind the differences in earnings levels lies in the segregated labour market. Age and gender distributions differ between employees under different earnings-related pension acts. Furthermore, women work part-time more often than men.

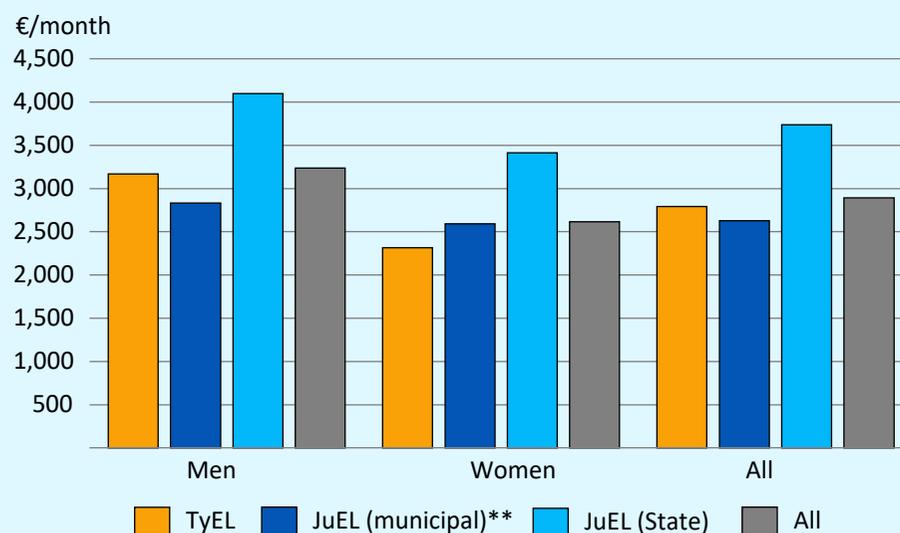
Changes in monthly earnings compared to 2020

Employees' average monthly insured earnings in 2021 rose by 3.3 per cent and their median monthly insured earnings by 3.0 per cent compared to 2020. The increase was of the same size for men and women.

In the public sector, the average monthly insured earnings rose by 1.4 per cent and the median monthly insured earnings by 1.5 per cent. In the private sector, the average monthly insured earnings rose by 3.4 per cent and the median monthly insured earnings by 3.0 per cent.

Within the public sector, the monthly insured earnings rose more among state employees than municipal sector employees. The average monthly state earnings rose by 2.4 per cent and the median by 2.0 per cent. For men, the increase was slightly higher than for women. In the municipal sector, both the average monthly earnings and the median earnings rose by 1.3 per cent compared to 2020.

Employees' median monthly insured earnings* in 2021, major earnings-related pension acts



* Average monthly earnings are calculated by dividing annual insured earnings by number of months in employment.

** In an employment or a service relationship.

[Data in statistical database](#)

Employees' insured monthly earnings* in 2021, by major earnings-related pension acts

Earnings-related pension act	Average earnings €/month			Median earnings €/month		
	All	Men	Women	All	Men	Women
All	3,193	3,617	2,784	2,894	3,238	2,614
TyEL	3,127	3,563	2,554	2,790	3,168	2,316
JuEL (municipal)**	2,707	3,018	2,614	2,628	2,831	2,591
JuEL (State)	3,650	4,019	3,363	3,736	4,099	3,412

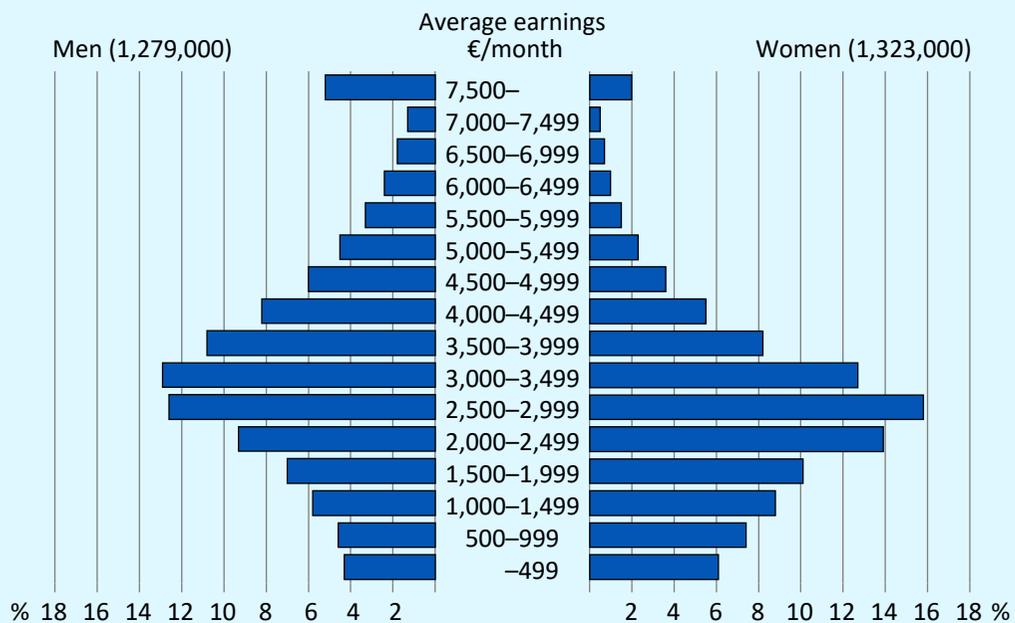
* Average monthly earnings are calculated by dividing annual insured earnings by number of months in employment.

** In an employment or a service relationship.

[Data in statistical database](#)



Distribution of wage earners' monthly pension-insured income* in 2021, by gender



[Data in statistical database](#)

* Average monthly earnings are calculated by dividing annual insured earnings by number of months in employment.



Median monthly earnings
for men €3,240.



Median monthly earnings
for women €2,610.

Earnings-related pension acts

Private sector earnings-related pension acts

Employees Pensions Act (TyEL)

Seafarer's Pensions Act (MEL)

Self-Employed Persons' Pensions Act (YEL)

Farmers' Pensions Act (MYEL)

Public sector earnings-related pension acts

Public Sector Pensions Act (JuEL)*

Orthodox Church Act (OrtKL)

Pension regulation for the Bank of Finland (SP)

Pension regulation for the regional government of Åland

*The Public Sector Pensions Act (JuEL) came into force at the beginning of 2017, combining the relevant provisions of the Local Government Pensions Act (KuEL), the State Employees' Pensions Act (VaEL) and the Evangelical-Lutheran Church Pensions Act (KiEL). The Public Sector Pensions Act also applies to employees of the Social Insurance Institution of Finland (Kela).

Statistics from the Finnish Centre for Pensions

The Finnish Centre for Pensions is a statutory developer, expert and joint service producer of pensions. The Statistics series includes statistics from various areas of pension provision.

The statistics are based on register data of the pension system.



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