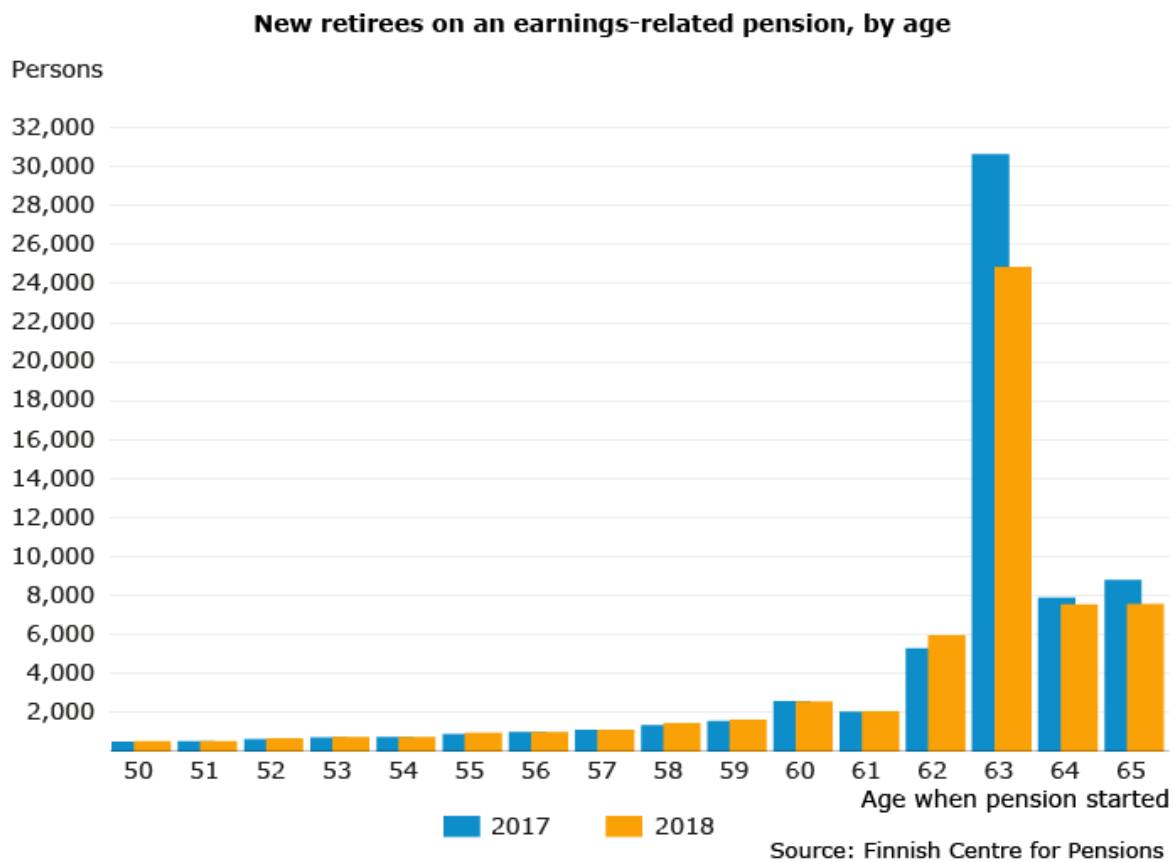


# Effective Retirement Age 2018

## Effective retirement age edging up



In 2018 the expected effective retirement age under the earnings-related pension system was 61.3 years, up 0.1 years from the year before as predicted in early forecasts. The rise in the effective retirement age is being driven particularly by the higher age threshold for old-age pension. Changes in effective retirement age are measured by the expected effective retirement age, which is based on the retirement rates for different age groups.

The number of new retirees on an earnings-related pension in 2018 came in at just under 69,000, clearly less than in 2017. The number of people retiring on an old-age pension fell by almost 8,000 to 49,000 as a result of the increase in the age threshold for old-age pension.

The number of new retirees on a disability pension has decreased appreciably over the past 10 years. But in 2018 the number of new disability pensions was up by 7 per cent: the number of persons retiring on a disability pension was more than 1,000 higher than the year before. One-quarter of this increase is attributable to persons under 50 and one-half to persons over 60 years of age. In 2018 almost 20,000 persons retired on a disability pension.

## Expected effective retirement age for 25-year-olds and 50-year-olds

| Year | 25-year-olds | 50-year-olds |
|------|--------------|--------------|
| 2010 | 60.4         | 62.3         |
| 2011 | 60.5         | 62.4         |
| 2012 | 60.9         | 62.7         |
| 2013 | 60.9         | 62.7         |
| 2014 | 61.2         | 62.8         |
| 2015 | 61.1         | 62.8         |
| 2016 | 61.1         | 62.8         |
| 2017 | 61.2         | 62.8         |
| 2018 | 61.3         | 63.1         |

## Quality description: Effective Retirement Age 2018

The statistics on effective retirement age are compiled and published by the Finnish Centre for Pensions.

The Act on the Finnish Centre for Pensions states that one of the agency's roles is to compile statistics relating to its functions. Responsibility for the production of statistics at the Finnish Centre for Pensions rests with the Planning Department.

The costs of producing these statistics are borne by the Finnish Centre for Pensions.

### Relevance of statistical information

These statistics describe the effective retirement age under the Finnish earnings-related pension scheme.

The phenomenon is described using three measures of central tendency: expected effective retirement age, median age and average age. The indicators used describe effective retirement age in different ways and are suited to different purposes.

### Expected effective retirement age

Expected effective retirement age is an indicator developed by the Finnish Centre for Pensions for the measurement of effective retirement age. It describes the average effective retirement age for persons of a certain age who are insured under the earnings-related pension scheme, proceeding from the assumption that the retirement and mortality rates for each age group are unchanged from the year of observation. The indicator only reacts to changes in retirement rates: it is unaffected by changes in the population structure and other demographic phenomena.

## **Expected effective retirement age**

is calculated for both 25-year-olds and 50-year-olds. The expectancy for 25-year-olds describes the effective retirement age for the whole population with earnings-related pension insurance, and it is used as the official indicator to describe changes in effective retirement age.

Of the three indicators used, expected effective retirement age provides the most accurate measure of changes over time in effective retirement age.

## **Average**

Average retirement age is the arithmetic mean of the ages of new retirees. Average age is calculated based on age at the onset of retirement.

Average is the most commonly used indicator in international comparisons of effective retirement age.

## **Median**

Median retirement age is the midpoint observation for the dataset, i.e. half of the new retirees are younger and the other half older than the median. Median age is calculated based on age at the onset of retirement.

Median is well-suited to describing the typical effective retirement age in a highly skewed distribution.

## **New retirees on an earnings-related pension**

A new retiree on an earnings-related pension is defined as a person whose pension based on his or her own employment started during the statistical year, or whose pension eligibility has started earlier but who has only received a pension decision during the statistical year.

Persons retiring on a part-time pension or taking early payment of a partial old-age pension are not counted as new retirees.

The concepts and definitions used in the statistics are presented on the statistics homepage at [www.etk.fi/statistics/effective-retirement-age/concepts-and-definitions](http://www.etk.fi/statistics/effective-retirement-age/concepts-and-definitions)

## **Correctness and accuracy of data**

The statistics are based on register data from the earnings-related pension scheme.

The Finnish Centre for Pensions has responsibility for the content of the central registers of the earnings-related pension scheme, as well as for the management and development of related operations. Provisions on the Finnish Centre for Pensions' register-keeping duties are set out in the Act on the Finnish Centre for Pensions.

The numbers of new retirees, persons insured for an earnings-related pension and deceased persons in different age groups are derived from register data from the register sources. The analyses are based on total datasets.

Errors found in the statistics are immediately corrected online. A separate bulletin is issued in case of significant errors.

### **Timeliness and promptness of published data**

The statistics are released once a year in the February of the year following the statistical year. The exact date of publication is given in the Finnish Centre for Pensions release calendar.

The data in the statistics are final.

### **Coherence and comparability of data**

The statistics have been compiled since 2003 and time series have been produced retrospectively back to 1996. Private sector time series extend to 1983.

The figures presented in the statistics are consistent with those in the statistics on Earnings-related pension recipients in Finland and Persons insured for an earnings-related pension in Finland.

### **Availability and clarity of data**

The statistical data are released annually on the statistics homepage and in the Finnish Centre for Pensions statistical database at <https://tilastot.etk.fi>.

A more in-depth analysis of the phenomenon described in the statistics is given in Effective retirement age in the Finnish earnings-related pension scheme, which is published annually in the Finnish Centre for Pensions Statistics series.

The statistics are described on the statistics homepage at [www.etk.fi/statistics/effective-retirement-age/description](http://www.etk.fi/statistics/effective-retirement-age/description).

For further information on these statistics, contact the Finnish Centre for Pensions Statistical Services at [tilastot\(at\)etk.fi](mailto:tilastot@etk.fi).