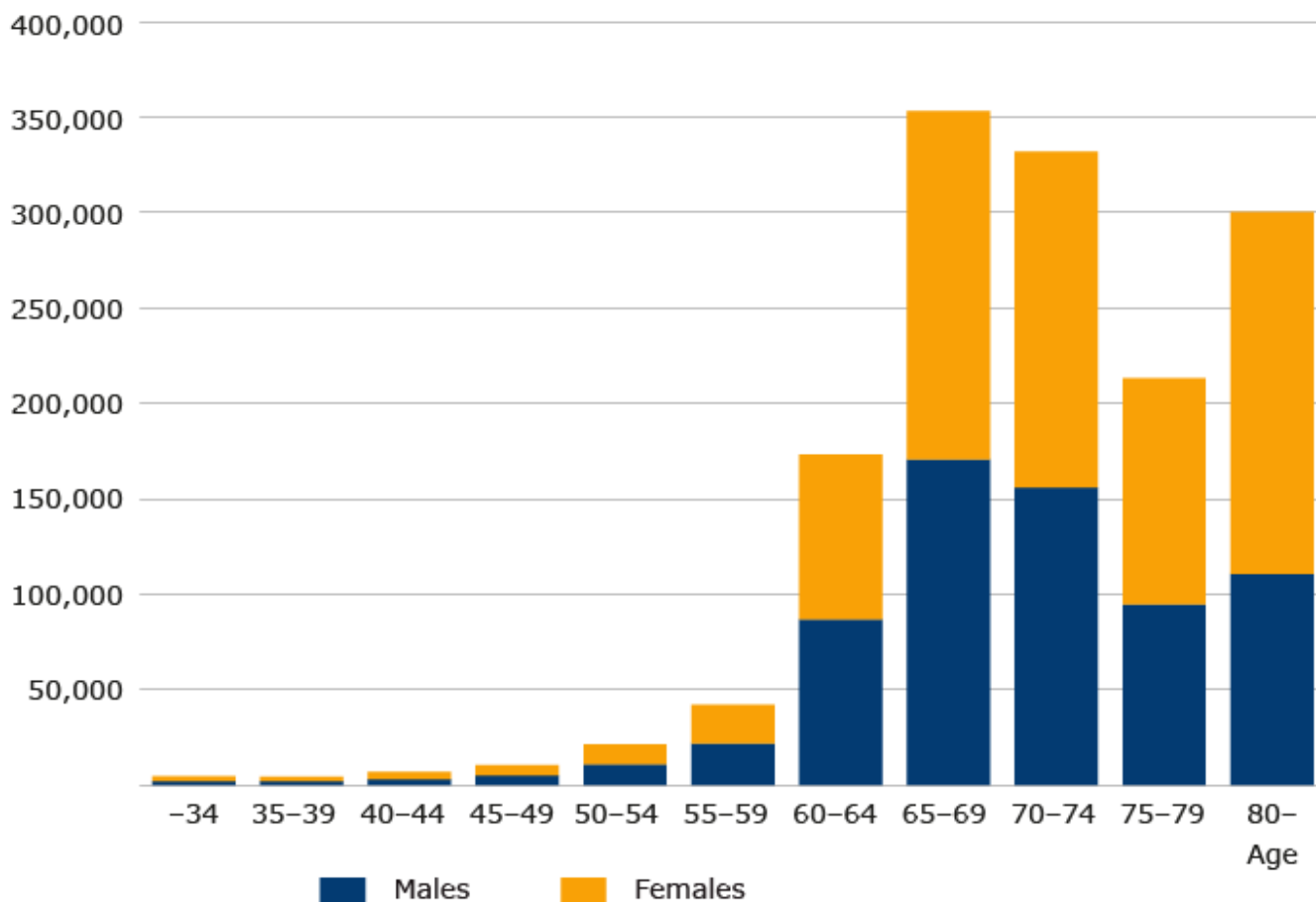


Earnings-related pension recipients in Finland 2018

Earnings-related pensioners now number 1.5 million

Persons receiving a pension based on their own work history by age and gender at 31 Dec 2018



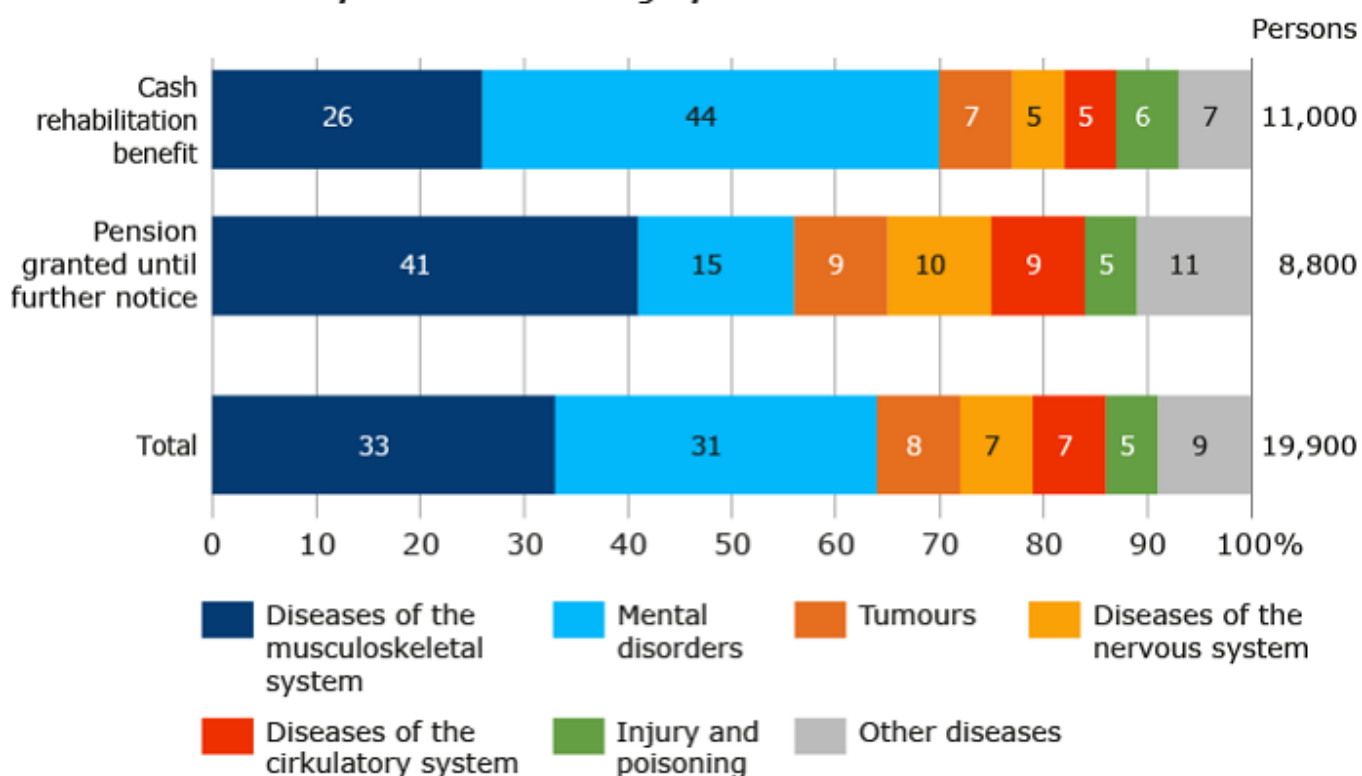
Source: Finnish Centre for Pensions

At year-end 2018 a total of 1,500,000 persons in Finland received an earnings-related pension, an increase of 16,000 from the year before. This rise in the number of earnings-related pensioners was due to the increased number of old-age pension recipients, as the number of other pension benefit recipients declined from 2017. Over half (55%) of all earnings-related pension recipients were women.

A total of 1,460,000 persons received a pension based on their own work history, that is, an old-age, disability, part-time or farmers' special pension. Almost 263,000 persons received a survivors' pension: 250,000 of them were surviving spouses and 13,000 children.

In 2018 earnings-related pension expenditure totalled 27.9 billion euros. The bulk of this, or 24.2 billion euros, consisted of expenditure on old-age pensions. Earnings-related pensions accounted for 89 per cent of total pension expenditure, which was 31.3 billion euros.

New retirees on an earnings-related disability pension in 2018, by main disease category and duration of benefit



Source: Finnish Centre for Pensions

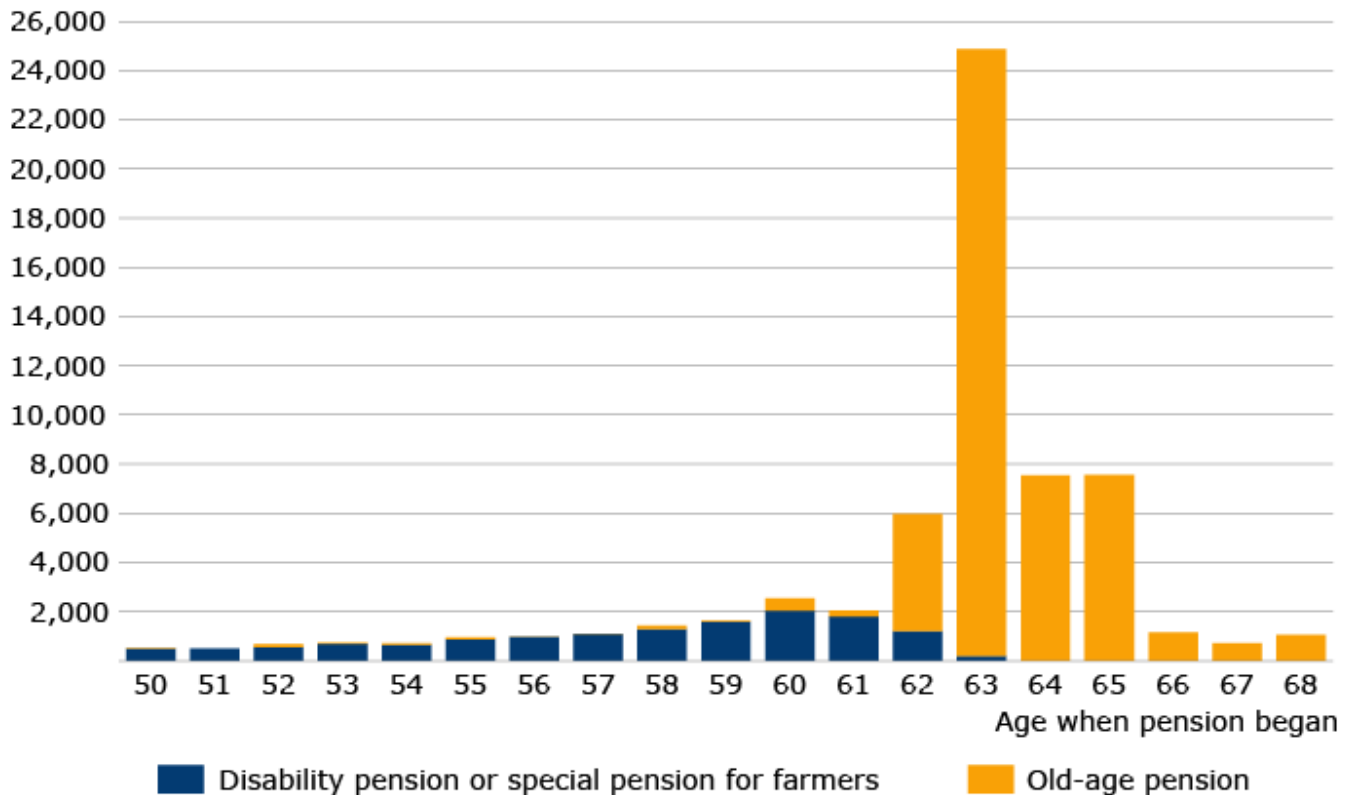
In 2018, around 19,900 persons retired on an earnings-related disability pension. This was an increase of nearly 1,300 persons compared to the year before. More than half (55%) of the benefits were granted as cash rehabilitation benefits. These benefits have made up more than half of all new earnings-related disability pensions granted since 2012.

The disability pension may be awarded either until further notice or as a fixed-term cash rehabilitation benefit. The cash rehabilitation benefit is granted if there is a chance that the person’s work capacity can be restored at least in part through treatment or rehabilitation. A cash rehabilitation benefit can be granted only if a treatment or rehabilitation plan has been drawn up for the person in question.

More than two fifths (44%) of the new recipients of a cash rehabilitation benefit were diagnosed with a mental disorder. For one quarter of all new recipients of the benefit, the disability was caused by a disease of the musculoskeletal system. All other main disease categories counted for less than 10 per cent each.

The causes for disability of those who were granted a disability pension until further notice were quite different from those who received a cash rehabilitation benefit. Diseases of the musculoskeletal system was the main cause of disability for a clear majority (40%) of the new recipients of a disability pension granted until further notice. Mental disorders was the second largest cause (15%) and diseases of the nervous system the third largest cause (10%) for disability. Nearly as many (9% each) suffered from tumours or diseases of the circulatory system.

New retirees aged 50-68 years on an earnings-related pension in 2018



Source: Finnish Centre for Pensions

The number of people retiring on an earnings-related pension in 2018 was 68,900, down almost 10 per cent from the year before. Almost 25,000 people retired on an earnings-related pension at age 63.

The majority of new retirees, 48,900 persons retired on an old-age pension. Half of them took their pension at age 63. In addition, a total of 10,800 persons took payment of a partial early old-age pension in 2018, almost 90 per cent of them before reaching age 63.

The number of new retirees on a disability pension was 19,900, edging up from the figure in 2017. The number of new disability pensions in 2018 was more than 1,000 higher than the year before, representing an increase of 7 per cent. One-quarter of this increase is attributable to persons under 50 and one-half to persons over 60 years of age.

Quality description: Pensioners in Finland 2018

The statistics Earnings-related pensioners in Finland is published by the Finnish Centre for Pensions.

The Act on the Finnish Centre for Pensions states that the responsibilities of the institution include, for example, the compiling of statistics in its field of operation. The production of the statistics at the Finnish Centre for Pensions is handled by the Planning Department.

The Earnings-related pensioners in Finland is financed by the Finnish Centre for Pensions.

Relevance of statistical information

Statutory pension security in Finland consists primarily of two pension schemes: the earnings-related pension scheme and the national pension scheme. The pensions of the former scheme are based on earnings, while the pensions of the latter scheme are residence-based. Earnings-related pensioners in Finland provides an overview of the pensions paid within the Finnish earnings-related pension scheme.

In the private sector, the earnings-related pension provision is administered by earnings-related pension insurance companies, industry-wide pension funds and company pension funds. The Finnish Centre for Pensions is the central body of the earnings-related pension scheme. One of its assignments is to collect the information required for the administration of earnings-related pension matters for the purpose of handling the tasks prescribed to it.

Earnings-related pensioners in Finland covers the whole statutory earnings-related pension provision, as well as voluntary registered supplementary pension provision financed by the employer. Voluntary non-registered supplementary pensions paid by the employer are not included in the figures of these statistics, nor voluntary pension provision paid by the individuals themselves. In addition, the statistics do not include pensions from the national pension scheme and pension from workers compensation, motor liability and military accident insurance, so-called SOLITA pensions.

The statistics contain figures on the number and median pensions of earnings-related pension recipients and new retirees on an earnings-related pension. The statistics also contain information on earnings-related pension expenditure, earnings-related pensions paid abroad and disability pension decisions.

The main classifier in the statistics is the division of the earnings-related pension scheme into the private and the public sector. In addition, the following classifications are used in the statistics: pension benefit, pension size, gender and age. Disability pensions are classified by disease category. The regional classification for the earnings-related pension expenditure is based on the Finnish regions (http://stat.fi/meta/luokitukset/maakunta/001-2015/index_en.html). Pension recipients abroad are classified by country of residence and country groups.

The country groups are defined in Appendix 2 of Earnings-related pensioners in Finland 2015, page 104 at <https://www.etk.fi/en/publications/>. The concepts and definitions used in the statistics are presented on the website of the statistics, at <https://www.etk.fi/statistics> > Pension recipients and insured > Earnings-related pension recipients.

The statistics serves social security specialists, researchers and the media, as well as others requiring information about this field. Equally comprehensive statistical data on Finnish pension recipients is not available elsewhere.

Correctness and accuracy of data

The data of this statistical publication is based on data in the pension register (composite data). The register contains registered data from pension decisions. The data is used to form pension periods and pensions which are registered in the statistics register. This statistics register forms the basis for pension statistics.

The regional data presented in the statistics is based on Kela's population data. It is supplemented on the basis of the country of tax at source for pensions paid abroad, as reported by the pension providers.

Together with the earnings-related pension providers, the Register Services Department of the Finnish Centre for Pensions is responsible for the contents of the registers, the accessibility, scope, legality and accuracy of the data needed for the implementation of pension provision and the clarification of error conditions in the contents. The handling systems include authenticity and logical checks where the programme requires correction or verification of data. The error messages may also be comments that do not inhibit the registration of data. Arek Oy is responsible for the information technology aspects of the registers.

Arek Oy is a company jointly owned by the pension providers and the Finnish Centre for Pensions.

Flaws detected in the statistics are immediately corrected on the website. In connection with the correction, information on the content and time of the correction is provided. A correction page is added to printed publications that have not yet been distributed. If the error is substantial, a separate bulletin is issued for those who have already received the printed publication.

Timeliness and promptness of published data

The more restricted statistics Earnings-related Pension Recipients in Finland is released once a month. The more comprehensive statistics Pensioners in Finland is released once a year during the first half of the year following the statistical year. The date of publication of the statistics is presented in the Release Calendar on the website of the Finnish Centre for Pensions at www.etk.fi/statistics, section 'Release Calendar'.

Coherence and comparability of data

This statistical publication has been produced since 1996. Its time series are mainly comparable from that date. As for the number of earnings-related pension recipients, the time series extends back to the year 1979.

From the beginning, the statistics has covered the numbers of earnings-related pension recipients and new retirees, the mean pensions, as well as the pension expenditure of the earnings-related pension scheme. Over the years, the data content of the statistics has been extended. Data on disability pension decisions in the earnings-related pension scheme was added in 2007.

In 2005–2013, the statistics was published under the name Pensioners and Insured in Finland. As of the statistical year 2014, the data is published in two different statistical publications: Earnings-related pensioners in Finland and Persons insured for an earnings-related pension in Finland.

In 1999, the concept of new retirees was changed. It no longer included persons retiring on a part-time pension. Persons receiving a part-time pension are included in the figures for new retirees when they start to receive some other pension that is based on their own working life, usually an old-age pension. In 1996–1998, new part-time pensioners were counted as pensioners on an earnings-related pension. As of the 1999 statistics, the time series of earnings-related pension retirees have been corrected retroactively. Thus, the 1996-1998 statistics are not comparable in this respect with those of later years.

The partial old-age pension, introduced in 2017, is processed in the same way in the statistics as the part-time pension. That means that persons who have retired on a partial old-age pension in 2017 are not considered new retirees.

The following changes have been made to concepts and classifiers based on legal amendments and feedback from users:

- Following the 2005 legal reform, pensions are no longer categorized according to how maximal they are.
- Since 2005, disability pensions have been divided into full and partial pensions.

The statistics use applicable general standard categorizations, e.g. by disease (ICD-10) and region (province, country or residence and country group).

In cooperation with Kela, the Finnish Centre for Pensions produces Statistics on Finnish Pensioners. It covers the pensions of both the earnings-related and the national pension schemes. The figures on recipients of an earnings-related pension, new retirees on an earnings-related pension and earnings-related pension expenditure in those statistics are consistent with the figures in these statistics.

Availability and clarity of data

The statistical data is released on the homepage of the statistics and in publication Earnings-related pensioners in Finland. Some of the data in the statistics is also published in the statistical database of the Finnish Centre for Pensions, at tilastot.etk.fi.

A description of the statistics has been presented on the website of the Finnish Centre for Pensions, at www.etk.fi/statistics/earnings-related-pension-recipients/description.

The statistical service of the Finnish Centre for Pensions provides additional information about the statistics upon request per e-mail at [tilastot\(at\)etk.fi](mailto:tilastot(at)etk.fi).