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Finnish Centre for Pensions, Studies

# Summary

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## Working in retirement

### Survey of persons retiring from work on an old-age pension in 2019–2021

In this study, we examine the frequency of and interest in working after retirement from paid work in 2019–2021 and the differences between population groups regarding this subject. Persons working in retirement were asked whether they worked for the same employer and with the same or similar tasks as before retiring, as well as in which occupations they worked in retirement. We also outline the scope of working, for how long people plan to continue working in retirement and the income received from that work. Finally, we mapped the motives and reasons for working or not working in retirement and how much the newly retired know about pension accrual from work in retirement. The study is based on the 2022 survey “From work to retirement” by the Finnish Centre for Pensions. A total of 3,378 persons retiring from gainful employment on an old-age pension between 2019 and 2021 replied to the survey (68% response rate).

#### **One third of the recently retired from gainful employment work in retirement**

Of those retiring on an old-age pension from work between 2019 and 2021, 34 per cent said that they work or have worked in retirement while 16 per cent have not worked but would have liked to work. 50 per cent of the recently retired had not worked and did not want to work in retirement.

Working in retirement differed between population groups. Working in retirement was more common among those who retired at an older age than among those who

retired at age 63. In addition, men, the highly educated and those who were not in a relationship worked, on average, more often than others. Those whose pension fell into the lower or upper income quartiles also reported more often than others that they had worked in retirement. Those who found it hard to make ends meet wanted to work in retirement more often than others. Many factors relating to work were linked to working in retirement and the interest in working in retirement. Working was more common among those who felt that their work ability was good and those who had retired from the private sector. Working in retirement was also more common among those who had liked their pre-retirement work and those who felt that the skills of older employees had been appreciated at the workplace.

### **Commonly working in retirement for the same employer and with the same tasks as before retirement**

More than half of those pensioners who worked in retirement reported that they worked for the same employer and with similar tasks as before retiring. Of those who had transferred to a different employer, slightly more than half said that they continued with similar tasks. Of those who retired from paid work on an old-age pension, 13 per cent said that they had worked in retirement as a self-employed person.

Nearly half of those working in retirement reported that they had worked in various expert professions. Often mentioned professions included practical nurse, registered nurse, public health nurse, physician, teacher, kindergarten teacher, consultant, day care worker or teaching assistant, salesperson, and driver.

### **Working in retirement mainly occasional or irregular**

Working in retirement is often occasional or irregular. Two thirds of those working or who had worked in retirement were of this opinion. Only few reported that they had worked regularly and full time. Both younger and older respondents, as well as men, reported more often than others that they had worked regularly and full time. Women worked part-time on a regular basis more often than men.

More than one third of pensioners working in retirement were unable to estimate how long they planned to continue working. Nearly half assessed that they would work for no more than two years. The youngest respondents, men, those with a higher education and those with a pension in the higher quartile assessed more often than others that they would work longer.

### **Frequency of working linked to higher income from work**

Those who worked in retirement reported that they had received an average annual income from work of 14,200 euros. One quarter of those working in retirement said they had received a maximum of 4,000 euros per year, and an equal share said they were paid 18,000 euros or more for their work. The frequency of working was linked to higher income from work. In addition, men, those with a higher education, those

working in the private sector, the younger and older, and those who had a higher pension and experienced no problems making ends meet received more often a higher income from work than did others.

### **Many pensioners who wanted to work felt that there was no suitable work available or that they were not hired because of their age**

Nearly all who were working while drawing an old-age pension reported that they wanted to work in retirement because work involves interesting tasks (89%) and makes them feel needed (73%). Many (69%) also felt that the social relations were important. These were also the most frequently occurring motives for those who wanted to work in retirement but had not done so. Financial reasons were slightly less often listed as motives for working than were psychosocial reasons.

Wanting to enjoy the time in retirement and feeling that one's career had been long enough were the most common reasons stated for not working in retirement. Nearly all of those who had not worked in retirement were of this opinion. However, quite a few of those who were interested in working in retirement felt either that suitable work was not available (57%) or that they were not hired because of their age (41%).

### **The need to claim pension accrued from work in retirement not well known**

Most (87%) of the newly retired were aware of earning new pension for work done in retirement up to the age of 68. Yet only half assessed that they know that they can draw the pension they have earned from work in retirement at age 68 (55%) and that the pension must be claimed separately (45%). On average, those who had worked in retirement were more familiar with these matters, but some of them were unaware of when the pension accrued for work in retirement can be drawn.

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