

# Persons Insured for an Earnings-related Pension in Finland 2019 (OSF)

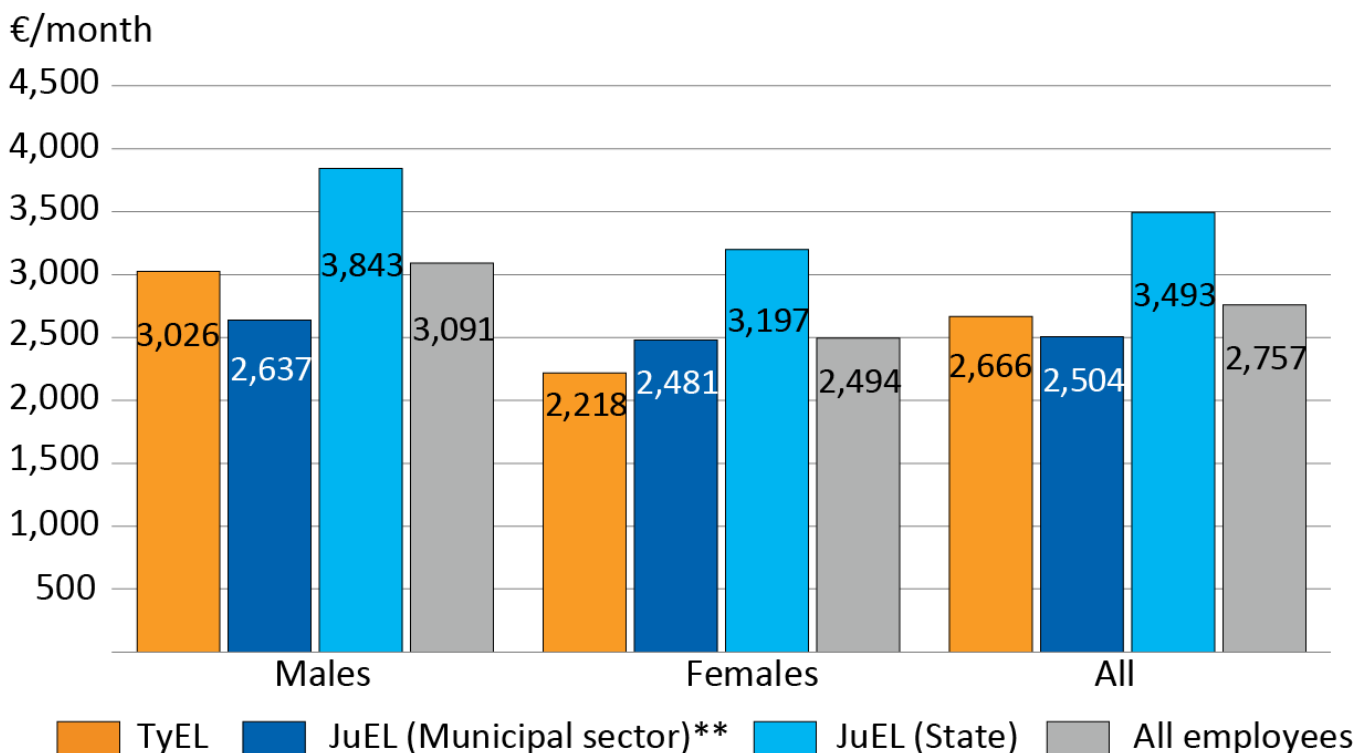
## Gender pay gap in Finland widest in private sector

In 2019, a total of 2.6 million employees in Finland accrued earnings-related pension benefits. Slightly over half of them were women. The number of employees in the private sector was almost 2 million and in the public sector 860,000.

Employees' average monthly insured earnings were just over 3,000 euros. The average for men was 3,400 euros and for women 2,700 euros. Men's average monthly earnings were almost 800 euros higher than women's.

As the distribution of employees' earnings is heavily skewed, median earnings provide a more accurate measure of the average. In 2019, employees' median earnings were 2,800 euros a month, with men averaging 3,100 euros and women 2,500 euros a month.

**Employees' median monthly insured earnings\* in 2019,  
major earnings-related pension acts**



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

\*\* Persons in an employment and public service employment relationship.

Source: Finnish Centre for Pensions

A comparison of the major earnings-related pension acts shows that average earnings in Finland are highest in the state sector and lowest in the female-dominated municipal sector. The gender gap in median earnings in 2019 was smallest in the municipal sector (6%) and largest among employees covered by the Employees Pensions Act (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.

(Updated on 11 December 2020)

## **Quality description: Persons insured for an earnings-related pension in Finland 2019 (OSF)**

The statistics Persons insured for an earnings-related pension in Finland is released by the Finnish Centre for Pensions.

The Act on the Finnish Centre for Pensions states that the responsibilities of the institution include 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 Finnish Centre for Pensions pays the costs of the statistics Persons insured for an earnings-related pension in Finland.

### **Relevance of statistical information**

In Finland, statutory pensions consist mainly of earnings-related and national pensions. Earnings-related pensions are based on earnings from work while national pensions are residence-based. The statistics on persons insured for an earnings-related pension offer an overall view of persons aged 17–68 years who are covered by the Finnish earnings-related pension system.

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

The statistics Persons insured for an earnings-related pension cover the entire statutory earnings-related pension provision. They contain key numerical data on all persons aged

17–68 years insured under the Finnish earnings-related pension scheme and on employees' insured earnings.

Persons covered by the earnings-related pension system have been divided into those insured for an earnings-related pension and those retired. The number of persons insured for earnings-related pension insurance is divided into two groups: those working and those who were neither working nor retired at the time of compiling the statistics. Other classifiers used in the statistics are earnings-related pension sector, earnings-related pension act and the person's age and gender.

The statistics also provide data on other periods for which pension accrues, including registered unpaid periods and periods of VEKL benefits under the Act on Compensation for Pension Accrual from State Funds for Periods of Caring for a Child Aged under Three and Periods of Study. This data is presented by benefit type.

Average and median data on employees' insured earnings are presented by earnings-related pension sector, earnings-related pension act, and employees' age and gender. Earnings deciles are presented separately by gender and by age.

The terms and definitions used in the statistics are presented on the homepage of the statistics at [www.etk.fi/statistics](http://www.etk.fi/statistics).

### **Correctness and accuracy of data**

The statistics are based on a total data.

Data on persons insured for and retired on an earnings-related pension are based on pension scheme registers. They include information on persons aged 17–68 who during the statistical year were covered by that scheme. Persons covered by the earnings-related pension scheme have worked under an employment contract or in self-employment subject to earnings-related pension acts. At the end of the statistical year they have been retired or they would have been entitled to an earnings-related pension at the time of the pension contingency. Furthermore, the data include information on so-called unpaid periods that affect the accrual of earnings-related pension. These data are reported to the earnings and accrual register, among others, by the Social Insurance Institution of Finland and the unemployment funds.

As from the beginning of 2019, the Finnish Tax Administration has compiled data on all employee earnings and income in a centralised national Incomes Register. From 2019 data on employee earnings entered in the earnings-related pension scheme register are drawn from this same source.

Flaws detected in the statistics are immediately corrected on the website. A separate bulletin is issued in the event of major errors.

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

The statistics are released once a year towards the end of the year following the statistical year. The release dates are presented on the Finnish Centre for Pensions website at [www.etk.fi/statistics](http://www.etk.fi/statistics) under 'Release Calendar'. The data in the statistics are final.

## **Coherence and comparability of data**

The data presented in these statistics are essentially compatible across different years. Minor variations may occur due to corrections and adjustments made to statistical software.

Some of the data on benefits for unpaid periods have been updated retrospectively, and therefore the entire statistical time series has been revised based on the register situation in August 2020.

In some of the tables describing year-end situations, the introduction of the national Incomes Register has caused minor shifts from the group of "employed" to the group "not employed or retired". This may complicate comparisons with earlier statistical years.

Furthermore, the national Incomes Register provides a more accurate figure for the number of months of wage payment during the year. Previously, data were reported for the employee's amount of insured earnings and duration of employment during the statistical year. Persons who were in an employment relationship all year recorded 12 months of employment, regardless of the number of months for which they received pay. Employment relationships may have continued without pay during periods of absence for study or sickness, for instance. Nonetheless annual earnings have been divided by 12, and therefore monthly earnings will have been understated. Since the national Incomes Register only lists those months for which wages are paid, the calculation of monthly earnings can be more accurately based on months of wage payment.

This change in the data base increases monthly earnings for the public and particularly the municipal sector, and therefore the figures reported for the change in monthly earnings from 2018 are overstated. In the comparisons for all employees and private sector employees, by contrast, the change has only a minor effect. Likewise, comparisons of annual earnings are unaffected.

The statistics have been compiled since 2005 and their data are comparable from 2007 onwards. Time series for the private sector go back to 1977.

The statistics were previously released under the name Pensioners and Insured in Finland. Since the statistical year 2013 the data have been released in two different statistics: Earnings-related pensioners 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 Finnish Centre for Pensions website. Some of the data are also released in the Finnish Centre for Pensions statistical database at <http://tilastot.etk.fi/?lang=1>.

A description of the statistics is presented on the homepage of the statistics at [www.etk.fi/statistics](http://www.etk.fi/statistics).

For additional information contact the Finnish Centre for Pensions statistical service at [tilastot\(at\)etk.fi](mailto:tilastot@etk.fi).