



The ABCs of pensions for employees

What are earnings-related pensions?

Earnings-related pensions offer security when you grow old, if you become disabled or your family's provider dies.

In Finland, your pension income consists primarily of earnings-related pensions (pensions based on your earnings from work). If your earnings-related pension is small or you have not earned any pension, you can get a national pension or a guarantee pension. You get a national pension if your monthly earnings-related pension is less than 1,617 euros.

Private sector earnings-related pensions are managed by earnings-related pension companies, special pension insurance companies, industry-wide pension funds and company pension funds. Public sector pensions are managed by Keva. Kela manages national and guarantee pensions.

Who earns earnings-related pensions?

You earn earnings-related pension for work you do as a wage earner when you are between 17 and 68 years old. For your pension to grow, you must earn at least 70.08 euros per month. Change of workplace and the number or length of your employment relationships make no difference.

Who pays my earnings-related pension?

You and your employer contribute to your pension. Your employer withholds your share of the pension contribution from your wage. On average, the earnings-related pension contribution is 24.85 per cent of your monthly wage. Depending on your age, your share of the contribution is between 7.15 and

8.65 per cent and your employer's share is 17.38 per cent on average.

How can I check that I earn a pension?

When you are a wage earner, your pension contribution is listed on your pay statement. Your pension record shows how much pension you have earned. Go to tyoelake.fi to check your pension record. The service will redirect you to the online services of your own pension provider. If you notice or suspect that some period of work for which you should earn pension is missing or is incorrect on your pension record, contact your pension provider as soon as possible.

Use the pension calculators at tyoelake.fi to estimate how much your earnings-related pension will be.

What if I have had breaks in my working life?

Under certain conditions your pension grows also when you have breaks in your working life. For example, you earn pension if you are away from work because you are ill, study for a degree, are unemployed or on an alternation leave. You earn pension also for taking care of your small child at home.

When can I retire?

The retirement age of those born between 1955 and 1961 rises gradually from 63 years to 65 years. The retirement age rises by three months for those born between 1955 and 1961. For example, if you were born in 1960, you can retire when you turn 64

Retirement ages for people born before 1965 (old-age pension)

Year of birth	Retirement age	Age when insurance obligation ends
1957	63 years and 9 months	68 years
1958	64 years	69 years
1959	64 years and 3 months	69 years
1960	64 years and 6 months	69 years
1961	64 years and 9 months	69 years
1962–1964	65 years	70 years

years and 6 months. If you were born in 1961, you can retire when you turn 64 years and 9 months (see table above).

If you were born in 1965 or later, your retirement age is linked to the life expectancy of your birth year. It is confirmed in the year that you turn 62 years.

Is the retirement age flexible?

You can retire flexibly with the partial old-age pension (and draw 25% or 50% of your pension). The age limit for the partial old-age pension is 61 years, but 62 years if you were born in 1964 or later. You can also continue working until age 68 to 70 and earn new pension on top of the old-age pension you have already earned.

How much pension will I get?

The amount of earnings-related pension you will get depends on how much you have earned in wages. As a rule, you earn pension for each year of wages at a rate of 1.5 per cent of your annual earnings. If you are aged between 53 and 62 years, you earn pension at a rate of 1.7 per cent of your annual earnings. You earn pension for all work that you have been insured for under a pension insurance act as of age 17. You earn pension also for your earnings from self-employment.

If you retire early on a partial old-age pension, the part of your pension that you take will be decreased permanently. The deduction is 0.4 per cent for each month that you retire early. If you decide to retire late, after reaching your retirement age, your pension will grow by 0.4 per cent for each month that you defer your retirement. You can also earn new pension for work you do in retirement, currently until you turn 68.

In the first paragraph of this section, we have outlined how pension accrues under current rules. Some of the rules have changed over time, for example those concerning age limits. When laws are amended, they do not affect in retrospect.

Check your online pension record or contact your own pension provider to find out how much pension you have earned so far. You can access both via tyoelake.fi.

How do I claim my earnings-related pension?

Your earnings-related pension is not paid out automatically. You must claim it using a pension claim form. When you retire on a full pension, you must also resign from your work. Before you can be granted a disability pension, all rehabilitation options must be considered.

Claim your pension from abroad using the same form as the one for claiming your pension from Finland. If you live abroad, and depending on in which country you live, claim your pension from Finland either from the pension authority in the country in which you live or from a Finnish pension provider.

For how long do I get a pension?

Earnings-related pensions are paid out once a month to any country in the world. The old-age pension is paid out for the rest of your life. Other earnings-related benefits may be paid for a fixed term.

For more detailed information on earnings-related pensions, go to Tyoelake.fi.

