



Work is the foundation for your earnings-related pension

Earnings-related pension is accrued on the basis of the work done either as an employee or an entrepreneur. Employers are required by law to take out a pension insurance policy under TyEL for their employees.

Entrepreneurs are responsible for insuring themselves through YEL pension insurance for self-employed persons.

Pension insurance provides security for different situations

Old-age pension is the most common form of earnings-related pension. The age at which you can retire with old-age pension depends on your birth year. Starting from 2017, the earliest pensionable age will be raised by 3 months per age class, from the current 63 years to 65 years by 2025.

Old-age pension for the long-term unemployed is available for you if you were born in 1955–57 and have received an unemployment benefit for 500 + 1 days. If eligible, you can apply for an old-age pension already at the age of 62. Alternatively, it is possible to continue to receive the unemployment benefit.

Once you have turned 61, you can decide to have either 25 or 50 per cent of your old-age pension paid in advance in the form of **partial early old-age pension**. A permanent reduction for early retirement will be applied to this part of the pension, thereby affecting your final pension amount. If you retire with partial old-age pension, you are free to continue or stop working.

Vocational rehabilitation will help you get a new start if you become, for health reasons, unable to continue in your current job. In practice, rehabilitation means a work trial, training or other coaching that will lead to new tasks at your workplace or to a completely new occupation.

Disability pension will provide you daily security in case an illness, injury or disability permanently prevents you

from working. You can receive fixed-term disability pension if your work ability is reduced for the duration of at least one year, but it may be recovered through treatment or rehabilitation. Full disability pension will secure your livelihood if you lose your work ability permanently. **Partial disability pension** is an option if your work ability is reduced but still sufficient for coping with part-time work.

Career pension, or years-of-service pension, is available for those who are 63 years or older and suffer from work ability issues. The career pension requires that your work ability is reduced and you have worked for a minimum of 38 years in a job that requires great physical or mental effort.

Survivors' pension will provide support for your family in case of your death. Survivors' pension can be paid to a widowed spouse (in a marriage or registered partnership) and minor children.

Check the pension record for the amount of your pension

You can check the amount of pension you've earned to date by reviewing your pension record at www.tyoelake.fi. You can log in to the service by using your online banking codes. It is also a good idea to check that all information concerning your work history is recorded and correct.

Only insured work will accrue your earnings-related pension. If the amount of your earnings-related pension remains very low and you are covered by the social security system of Finland, you may receive a supplementary national pension from Kela (Social Insurance Institute of Finland).

Your pension is based on your earnings

PENSION ACCRUAL AS OF 1 JANUARY 2017



For an employee, pension is accrued on the basis of wages or salary, whereas the entrepreneur's pension is based on the YEL income. As of 2017, you will accrue pension at the rate of 1.5 per cent per year regardless of your age (as an exception, in the years 2017–2025, the rate of 1.7 per cent is applicable to those aged 53–62). An increment at 0.4% will be made to your pension for

each month you delay retirement beyond your lowest pensionable age. So, if you continue working for 12 months after reaching the pensionable age, you will earn pension at the rate of 1.5% for your annual earnings plus a 4.8% increment to your pension. The pension reform does not affect any pension you have earned prior to 2017.

Pension from career interruptions as well

Since 2005, pension also accrues on the basis of earnings-related daily allowances, such as sickness or unemployment benefits or maternity, paternity or parental allowances. Moreover, pension accrues from vocational and university degrees, and from the benefit paid for caring for a child under 3 at home. The pension is based on a specific percentage of the earnings that were used as the basis for calculating the benefit or daily allowance.

However, for degree studies and child care at home, the pension is calculated on the basis of a monthly income of approx. 700 euro, not on the actual income. Non-paid periods accrue pension at the rate of 1.5% per year from the age of 17 up until the maximum pensionable age for old-age pension, unless you receive old-age or disability pension. If you receive an unemployment benefit, the accrual of pension will end when you reach the minimum pensionable age.

The life expectancy coefficient

The life expectancy coefficient is used to match the amount of the monthly payable pension to the expected lifetime of the population in Finland. As the expected lifetime becomes longer, the amount of monthly pension

must be decreased to ensure that the pension funds are sufficient for one's entire lifetime. You can improve your monthly pension by remaining active in working life for a longer time.

Contact us for more information

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Or present your question via our Facebook pages www.facebook.com/iloistaelaketta

Please remember that you should never include your personal ID or other personal details in your questions or messages on the Facebook site.

* Calls and queuing for service numbers that begin with 01019 from anywhere in Finland are charged at the standard local network rate, if you call from a landline, or at the standard mobile rate, if you call from a mobile phone. We are available Monday–Friday from 8 a.m. to 4 p.m.