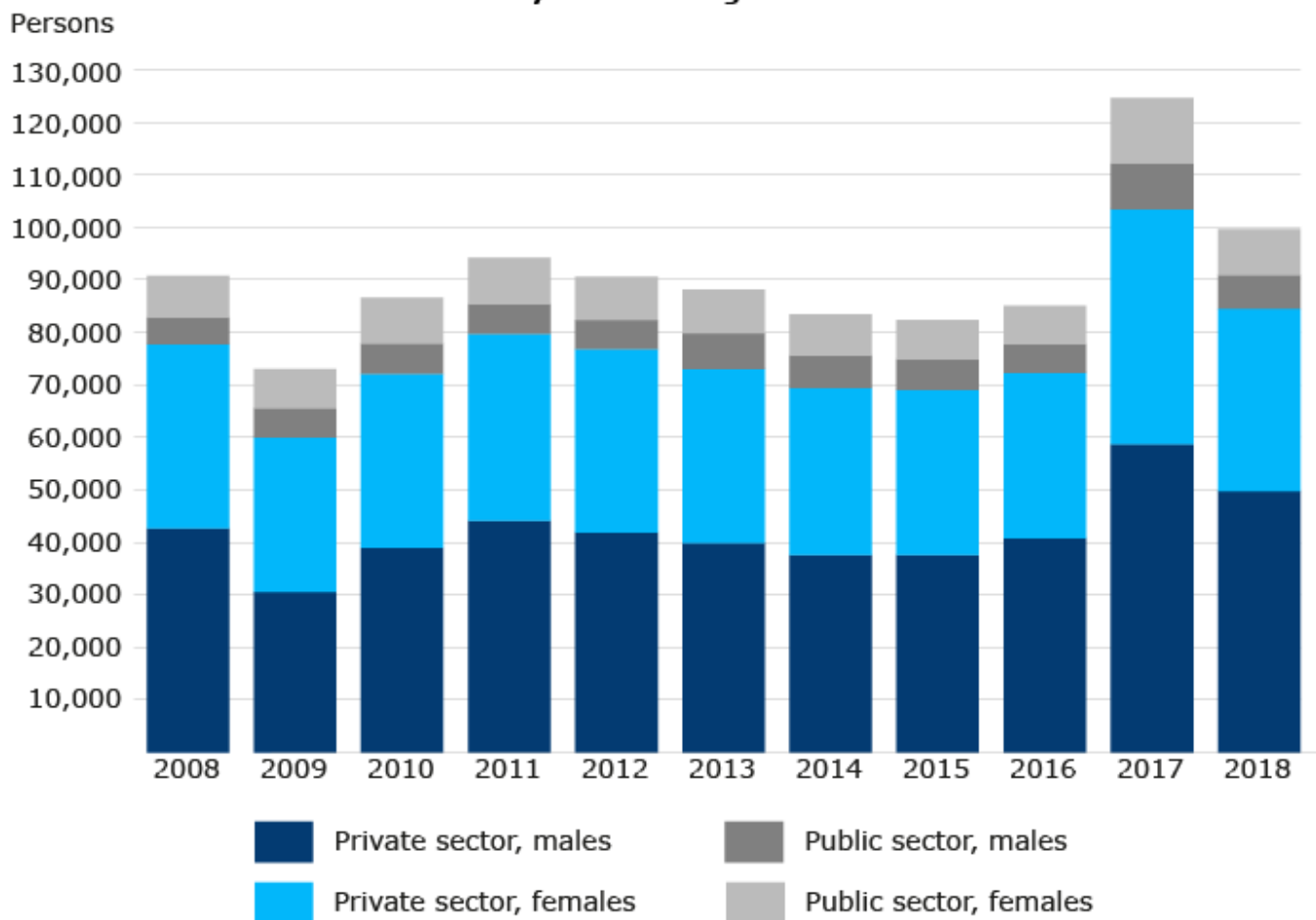


# Persons insured for an earnings-related pension in Finland 2018

## One hundred thousand first-time insured under earnings-related pension acts

Persons covered by earnings-related pension acts for the first time in 2008–2018, by sector and gender



Source: Finnish Centre for Pensions

In 2018, nearly 100,000 persons were insured under the earnings-related pension acts for the first time. Most of the persons gaining first-time coverage under earnings-related pension acts are employed in the private sector. In 2018, they accounted for 85 per cent of all first-time insured.

The majority (59%) of the persons insured under the earnings-related pension acts for the first time were men. In the public sector, the majority (58%) were women.

In 2008–2016, a total of 82,000–94,000 persons gained first-time coverage under earnings-related pension acts per year. In 2009, however, when employment began to decline, the number of persons

insured for the first time was only 73,000. In 2017 the qualifying age for earnings-related pension insurance was lowered to 17 years for wage earners. This increased the number of persons gaining first-time coverage: they numbered 125,000 that year.

At year-end 2018, approximately 3,741,000 persons aged 17–68 were covered by the earnings-related pension scheme. 51 per cent of them were men. The scheme includes all persons who, in the statistical year or earlier, were in employment in the private or public sector or in self-employment, or who already receive some pension based on their employment history.

In Finland, salaried work and self-employment must be insured for earnings-related pension benefits. The obligation to take out insurance starts at the beginning of the month following the 17th birthday and ends at the end of the month of the 68th birthday. For the self-employed, pension benefits accrue as of age 18.

## **Quality description: Persons insured for an earnings-related pension in Finland 2018 (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 composite of data drawn from earnings and pension registers maintained under the earnings-related pension scheme. The data comprise information on working-age persons who were alive during the statistical year and who during the statistical year or earlier were in wage employment or self-employment that accrued earnings-related pension in the private or public sector.

Data on retired persons are obtained from the pension register and data on employment from the earnings register. Other information relevant to pension accrual is also obtained from the earnings register, such as unpaid periods. These data are reported among others by the Social Insurance Institution and unemployment funds. The data obtained from these registers are collected into a statistical register, which is used to compile the statistics on persons insured for an earnings-related pensions.

Together with the earnings-related pension providers, the Register Services Department of the Finnish Centre for Pensions is responsible for the contents of the earnings register, the accessibility, scope, legality and accuracy of the data needed for the implementation of pension provision and for addressing any errors in the contents. The register's handling systems include permissibility 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 earnings register. 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. 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 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).