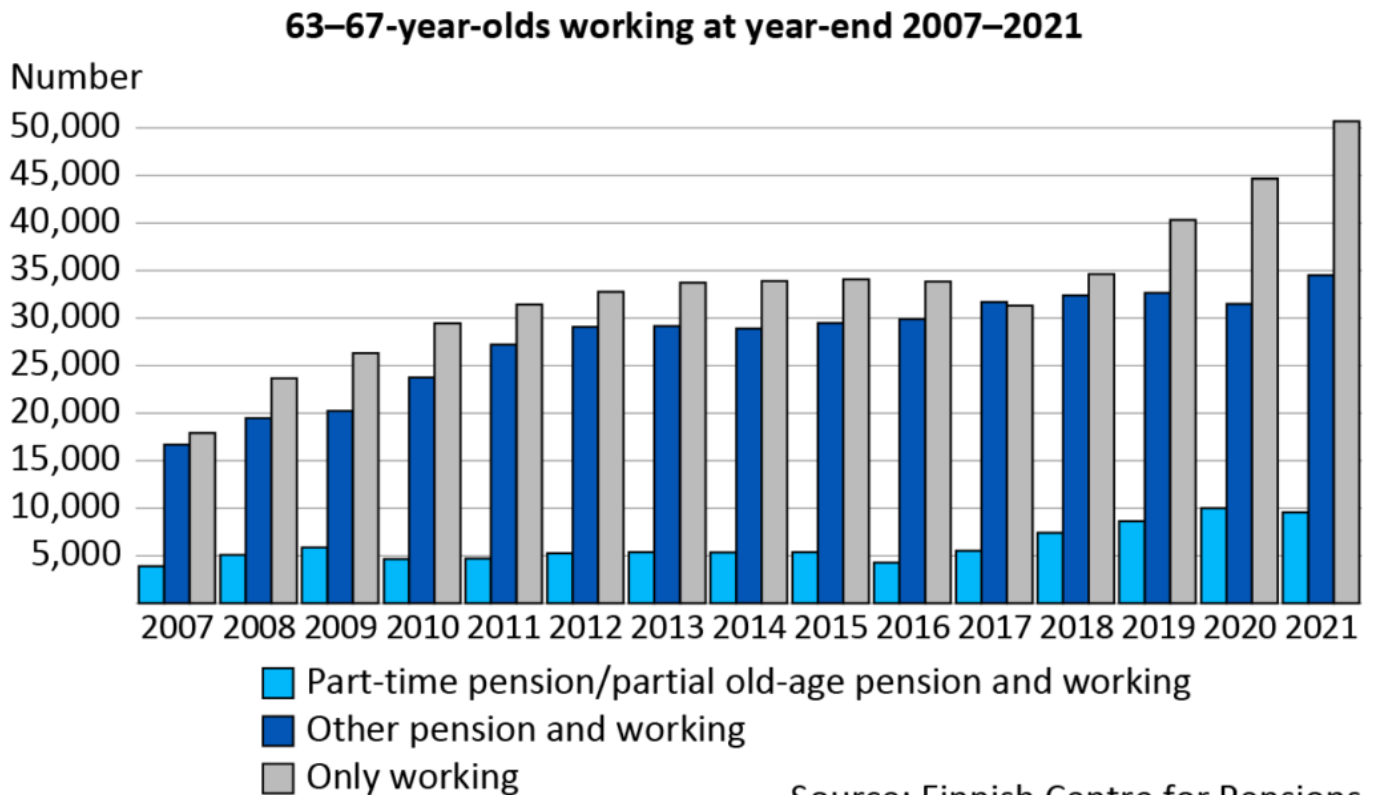


Working in retirement

Working in retirement on the upswing



In 2021, a total of 130,000 recipients of an old-age pension aged under 68 years worked. The figure includes also those who drew a partial old-age pension and a part-time pension. A total of 60,000 persons were on a full old-age pension, while 30,000 drew a partial old-age pension. Nearly all of the rest (44,000 persons) drew a disability pension. Of the disability pension recipients, half received a partial disability pension.

Between 2007 and 2021, working in retirement has increased steadily, particularly among those who have reached their retirement age. At the same time, the number of persons working past their retirement age, without drawing a pension, has risen clearly. The rising retirement age has also quickly increased the working of 63-year-olds.

At year-end 2021, more than 90,000 insured persons between the age of 63 and 67 were working. Half of them were pensioners (when those on the partial old-age pension are also considered pensioners). Of the pension recipients, more than 30,000 persons were on a full old-age pension.

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Description

Working in retirement

Producer: Finnish Centre for Pensions

Website: <https://www.etk.fi/en/research-statistics-and-projections/statistics/working-in-retirement/>

Subject area: Work, wages and livelihood

Part of the Official Statistics of Finland (OSF): No

Description

These statistics describe pensioners' pension-insured work in retirement and their average income and earnings-related pensions.

Data content

The statistics contain information on working in retirement among the working-age population. Working is examined in terms of number of people, population shares and changes over time. The data includes information on pensioners' average pensions and earnings.

Categorizations

Gender, age, pension benefit, main disease category

Methods of data collection and source

The data on working in retirement are based on the earnings and pension registers of the earnings-related pension system.

Data on employment rates are based on Statistics Finland's Labour Force Survey.

Read more:

- [Labour force survey \(Statistics Finland\)](#)

Update frequency

Once a year.

Time of completion or release

The statistics is released at the end of the year following the statistical year. The exact date of publication is stated in the [release calendar](#).

Time series

The time series for the statistics starts from 2007.

Key words

pensioners, working, continued working, gainful employment, employment rate, older workers, earnings-related pensions

Concepts and definitions

Concepts relating to work

Earnings-related pension scheme

The statutory earnings-related pension scheme is divided into the private and the public sector.

Most persons working in the private sector are insured under the Employees Pensions Act (TyEL).

As a rule, persons working in the public sector are insured under the Public Sector Pensions' Act (JuEL). The act covers persons working for Keva's member companies, the State, the Evangelical-Lutheran Church and the Social Insurance Institution of Finland (Kela). Most persons insured in the public sector work in the municipal sector.

Insured under the earnings-related pension acts, insured

A person who, at the time of compiling that statistics or previously, were in an employment relationship or worked as a self-employed person, and who is eligible for an earnings-related pension at the time of the pension contingency.

Work insured under the earnings-related pension acts

Work done between the ages of 17 and 67 must be insured under an earnings-related pension act. The obligation to take out insurance ends when the person turns 68 years and concerns earnings that exceed a certain monthly limit (€61.37/month in 2021). If a retired person works, their earnings must also be insured, and they gain new pension for those earnings.

Since the obligation to take out insurance ends at the end of the month in which a person turns 68, the oldest age group reviewed in the statistics Working in retirement is that aged 67 years.

Self-employment insured for earnings-related pension

Self-employment must be insured if the annual earnings from self-employment is at least 8,063.57 euros (in 2021). Self-employment carried out by a pension recipient must also be insured. The only exception are self-employed persons who have retired on an earnings-related old-age pension. They are not under obligation to take out pension insurance under the Self-employed Persons' Pensions Act (YEL), but they may take out voluntary insurance under the Self-employed Persons' Pensions Act. That is why some of the self-employed persons on a pension are excluded from this data even though they continue working as self-employed persons.

Self-employed persons covered by mandatory and voluntary pension insurance under the Self-employed Persons' Pensions Act are considered working people. A self-employed person as referred

to in the Self-employed Persons' Pensions Act is a person who engages in gainful employment without being in a service or an employment relationship. A self-employed person's family member is also a self-employed person if they work in the company but is not in an employment relationship in that work.

Under the Farmers' Pension Act (MYEL), pension insurance must be taken out for annual earnings of at least 4,031.78 euros (in 2021). Insurance under the Farmers' Pension Act must be taken out if the person farms on an estate of at least five hectares and does the work themselves. The insurance obligation also applies to family members whose main work is done on the farm.

As of 2009, grant recipients who engage in scientific research or artistic activities are also covered by the Farmers' Pension Act.

Activities covered by the Farmers' Pension Act by a pensioner can also be insured if the requirements of the Act are met.

Person in employment

A person who has been working during the calendar month for which pension has accrued or insured for earnings-related pension based on activities covered by the Self-employed Persons' Pensions Act or Farmers' Pension Act.

Person in employment at year-end

A person who has worked in December or at year-end (depends on how the working is reported). This causes slight differences in the statistics regarding numbers at the end of the year.

Concepts relating to pensions

Retired

A pension recipient is a person who receives an earnings-related pension based on their own working life. Although people who draw a partial old-age pension are not considered retired, they are considered retired in this statistics.

Disability pension

A disability pension may be granted to persons between the ages of 17 and 63 whose ability to work has been reduced due to an illness and whose inability to work is estimated to last for at least one year. A full disability pension is paid if the ability to work has been reduced by at least 3/5. A partial disability pension is paid if the ability to work has been reduced between 2/5 and 3/5.

The disability pension can be granted as a fixed-term cash rehabilitation allowance or a pension valid until further notice, in which case it has not been determined when it will end. A cash rehabilitation benefit is a fixed-term disability pension that can be granted when the rehabilitee's ability to work is expected to improve as a result of treatment or rehabilitation. The cash rehabilitation allowance can also be granted to the amount of the partial pension. The cash rehabilitation allowance is here counted as a disability pension.

The disability pension may be awarded either to the amount of a full pension or a partial pension. A person drawing a disability pension has the right to work within the scope of their remaining work ability. When drawing a full disability pension, the earnings from work must be less than 40 per cent of the stabilised average earnings. A full disability pension is converted into a partial disability pension if the earnings from work exceed 40 per cent but are no more than 60 per cent of the stabilized income level before drawing a disability pension. Pension payments may be interrupted if the earnings exceed the earnings limits.

Old-age pension

A person can retire on an old-age pension flexibly between the ages 63 and 68 when they stop the work from which they retire. In addition to the general rule, there are certain exceptional groups of people in the public sector who can retire on an old-age pension before reaching their retirement age. Such groups are, for example, employees of the armed forces.

Drawing an old-age pension does not prevent the recipient from working, nor does the income earned in retirement affect the payment of the pension. Pension for work done in retirement is granted at the age of 68 at the earliest.

The partial old-age pension replaced the part-time pension in 2017. Taking out a partial old-age pension does not require that the employment relationship is terminated, so in these statistics, persons on a partial old-age pension are not considered people who have retired on an old-age pension. However, they are included in the tables on all pension recipients. Data on recipients of the partial old-age pension have also been tabulated separately.

Other concepts

Age

A person's age at end of year under review. Working-aged or active-aged people refer in this connection to 17–67-year-olds. At this age interval, work must be insured for an earnings-related pension. The employment data is entered into the registers of the earnings-related pension system.

People in the old-age pension selection age refers to people aged between 63 and 67. In that age interval, it is possible to select when to retire.

Working while drawing a pension

People working in retirement are interpreted as people who receive some type of earnings-related pension benefit based on their own working life while simultaneously working and earning new pension for that work. Since a pension is always paid for the whole calendar month, working for just one day in the same month is working while drawing a pension.