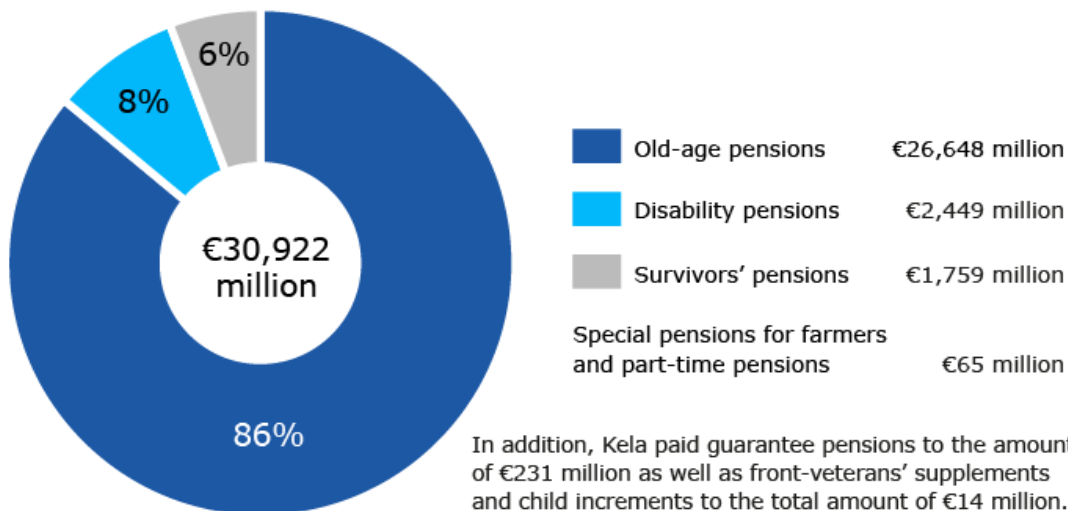


Total Expenditure on Pensions 2019



32.2 billion euros paid in pensions

Earnings-related and Kela pensions in 2019, by pension benefit



Source: Finnish Centre for Pensions

A total of 32.2 billion euros were paid in pensions and equivalent benefits in Finland in 2019.

Earnings-related pensions amounted to 28.9 billion euros and Kela pensions to 2.1 billion euros. The total pension expenditure was 30.9 billion euros.

Most of the pension expenditure (€26.6 billion) was paid in the form of old-age pensions. Disability pensions accounted for 8.1 per cent (€2.4 billion) of the pension expenditure. Survivor's pensions accounted for 6 per cent (€1.8 billion). Part-time pensions and farmers' special pensions accounted for less than half a per cent of the total pension expenditure.

In addition to the earnings-related and Kela pensions, the total pension expenditure also includes voluntary supplementary pensions, benefits paid under special pension provisions and guarantee pensions (which supplement earnings-related and Kela pensions).

Pensions paid under special pension provisions include benefits classified as pensions and paid under the Workers' Compensation Act, the Motor Liability Insurance Act, the Act on Compensation for Military Accidents and Service-related Illnesses and the Act on Compensation for Accidents and Service-related Illnesses in Crisis Management Duties.

Statistical tables:

- Statistical database of the Finnish Centre for Pensions
[https://tilastot.etk.fi/pxweb/en/ETK/ETK__140elakemenot/?tablelist=true]

Description

Total Expenditure on Pensions

Producer: Finnish Centre for Pensions

Website: Total Expenditure on Pensions

[<https://www.etk.fi/en/statistics-2/statistics/total-expenditure-on-pensions/>]

Subject area: Social protection

Part of the Official Statistics of Finland (OSF): Yes

ISSN: 2489-7027

Description

The statistic provides an overall view of the cash amounts of pensions paid in Finland.

Data content

The Finnish pension scheme is diversified. Total pension expenditure thus consists of pensions paid from several different schemes and parties.

Earnings-related pensions are paid by pension providers in the private and public sectors. Kela (the Social Insurance Institution) pays the pensions and guarantee pensions of the national pension scheme. Benefits classified as pensions are also paid based on the Workers' Compensation Act, the Motor Insurance Act, the Military Injuries Act, the Act on Compensation for Military Accidents and Service-related Illnesses and the Act on Compensation for Accidents and Service-related Illnesses in Crisis Management Duties. The statistic on total expenditure assembles all of these into a greater whole.

Categorizations

Pension scheme, sector and pension type.

Methods of data collection and source

The statistical data is based on register material. The quality description contains more information on how the data is formed (section Correctness and accuracy of data).

Update frequency

The data is updated once a year.

Time of completion or release

Advance information about the statistic is published in the spring following the statistical year. The final data is published in autumn of the year following the statistical year. Statistical publication dates are reported annually in the Release Calendar [<https://www.etk.fi/en/statistics-2/statistics/release-calendar/>] .

Time series

The statistical data is available from 1986 onwards. The time series of the statistic is for the most part comparable. More detailed information about the time series of the statistic can be found in section Coherence and comparability of data of the quality description.

Key words

Social insurance, pensions, earnings-related pensions, national pensions, pension expenditure

Concepts and Definitions

Total Expenditure on Pensions

The total expenditure of pensions includes the expenses of the following pensions paid over the year: earnings-related pensions, Kela pensions, benefits classified as pensions that are paid based on the Workers' Compensation Act, the Motor Insurance Act, the Military Injuries Act, the Act on Compensation for Military Accidents and Service-related Illnesses and the Act on Compensation for Accidents and Service-related Illnesses in Crisis Management Duties, as well as voluntary pensions paid by employers. Voluntary pensions paid by the individuals themselves are not included in the total expenditure of pensions.

Earnings-related pension expenditure

Earnings-related pension expenditure comprises pensions paid by the private and public sectors. Private sector pension expenditure comprises basic pension provision and pensions paid based on registered supplementary pension provision.

Pension expenditure of Kela

The pension expenditure of Kela comprises national pensions and guarantee pensions.

Special pension provision expenditure

Special pension provision expenditure comprises benefits classified as pensions based on the Workers' Compensation Act, the Motor Insurance Act, the Military Injuries Act, the Act on Compensation for Military Accidents and Service-related Illnesses and the Act on Compensation for Accidents and Service-related Illnesses in Crisis Management Duties. Such benefits are also referred to as SOLITA pensions.

Pension expenditure of voluntary pensions

The pension expenditure of voluntary pensions includes unregistered supplementary pensions paid by employers.

Old-age pension expenditure

Old-age pension expenditure comprises old-age pensions paid as earnings-related and national pensions. The expenditure includes pensions begun at retirement age as well as pensions taken early.

Disability pension expenditure

Disability pension expenditure comprises all disability pensions paid as earnings-related and national pensions. Disability pensions comprise disability pensions paid until

further notice and rehabilitation allowance paid for a set time. For the years 1986–2011, disability pension expenditure also comprises individual pension taken early.

Part-time pension expenditure

Part-time pension expenditure comprises part-time pensions paid as earnings-related pensions. Part-time pensions are not paid in the national pension scheme.

Pension expenditure of special farmers' pension

The pension expenditure of special farmers' pension comprises early retirement pensions, early retirement aid and early retirement increases. Special farmers' pensions are only paid in the private sector of the earnings-related pension scheme. Pension expenditure of special farmers' pensions comprises generational shift pensions for the years 1986–2010 and early retirement increases for the years 1993–2010.

Survivors' pension expenditure

Survivors' pension expenditure comprise survivors' pensions paid as earnings-related and national pensions.

Quality description: Total Expenditure on Pensions in Finland 2019

The statistic Total expenditure on Pensions is produced at the Finnish Centre for Pensions.

The Finnish Centre for Pensions (ETK) has a statutory obligation to prepare statistics. The Act on the Finnish Centre for Pensions states that one of the assignments of the Finnish Centre for Pensions is to produce statistics relating to its field of operations. Statistics are produced by the Planning Department of the Finnish Centre for Pensions.

Costs of producing statistics are paid by the Finnish Centre for Pensions.

Relevance of statistical information

The statutory pension security in Finland primarily consists of two statutory pension schemes, the earnings-related pension scheme and the national pension scheme. Benefits classified as pensions according to the Workers' Compensation Act, the Motor Insurance Act, the Military Injuries Act, the Act on Compensation for Military Accidents and Service-related Illnesses and the Act on Compensation for Accidents and Service-related Illnesses in Crisis Management Duties also constitute statutory pension security.

In the private sector, earnings-related pensions are managed by earnings-related pension providers as well as company-wide and industry-wide pension funds, and, in the public sector, primarily by Keva. The Finnish Centre for Pensions acts as a centre for the earnings-related pension scheme and collects e.g. the information necessary for processing earnings-related pension matters in the management of its statutory assignments. Kela is in charge of the national pension scheme. Kela also manages the payment of guarantee pensions.

The statistic Total expenditure of Pensions gathers together the amount of statutory pensions paid by different systems. The statistic also includes information on voluntary registered and unregistered supplementary pensions paid by the employer. Voluntary pensions paid by the individuals themselves are not included in the figures of the statistic.

The data in the statistic has been classified based on pension scheme and pension type. Earnings-related pensions have been divided into pensions paid by the private and the public sectors. The concepts used in the statistic have been defined on the website of the statistic in the section Concepts and definitions.

The statistic is intended for social security decision-makers, planners, researchers and professionals in the field of pensions. The information is also of interest to the media, pensioner interest groups and others in need of such information.

Correctness and accuracy of data

The data in the statistic is based on register data.

Data on pensions paid by the earnings-related pension scheme and Kela are formed from the statistical data storage jointly maintained by the Finnish Centre for Pensions and

Kela, which contains information about individuals receiving pension from the earnings-related or national pension schemes as well as of the annual pension expenditure.

Data on pensions paid in accordance with the Workers' Compensation Act, the Motor Insurance Act, the Military Injuries Act, the Act on Compensation for Military Accidents and Service-related Illnesses and the Act on Compensation for Accidents and Service-related Illnesses in Crisis Management Duties comes from the Insurance Centre, the Workers' Compensation Centre, the State Treasury and the Farmers' Social Insurance Institution. Data on voluntary, unregistered supplementary pensions comes from the Finnish Financial Supervisory Authority.

Data on the cash amounts of pensions paid according to the old pension regulations governing municipalities and the Evangelical-Lutheran Church are added to the total pension expenditure sum of the public sector. The pension-specific data of the statistic does not include these pensions. Data on the cash amounts of pensions paid according to the old pension regulations are based on data provided to the Finnish Centre for Pensions by Kela.

Any errors discovered in the statistic are immediately corrected in all statistical products where they are found. Our procedures of correction follow the guidelines of Finland's official statistics advisory board.

Timeliness and promptness of published data

Advance information about the statistic is published in the spring following the statistical year. The final data is published in the autumn of the year following the statistical year. Statistical publication dates are reported annually in the publication calendar [<https://www.etk.fi/en/statistics-2/statistics/release-calendar/>] on the website of the Finnish Centre for Pensions at www.etk.fi/tilastot.

Coherence and comparability of data

The Finnish Centre for Pensions has been producing the statistic Total expenditure on pensions in Finland from the statistical year 2016 onwards. The statistic was previously produced by Kela.

In connection with the change in producer, the time series of the statistic has been retroactively corrected back to the year 1986. The change concerns earnings-related pension

expenditure, corrected in keeping with the register data of the Finnish Centre for Pensions. The correction causes slight changes also to the total sum of pension expenditure. At the same time, changes have also been made to the classification of data.

The basic data of the statistic is available from the year 1960 onwards. The total sums of the time series are for the most part comparable. Changes occurring in pension legislation should, however, be taken into account when comparing the time series. One notable change is the change in the concept 'national pension' that took effect on 1 January 2008, following which the care and residential support of a pension recipient are no longer considered to be part of the pension.

The Finnish Centre for Pensions publishes the statistical data from the year 1986 onwards. Statistical data from previous years is available from the statistical information service of Kela (tilastot(at)kela.fi).

Availability and clarity of data

The statistical data is published annually on the website of the Finnish Centre for Pensions on www.etk.fi/statistics [<https://www.etk.fi/en/statistics-2/statistics/total-expenditure-on-pensions/>] and in the statistical database of the Finnish Centre for Pensions on <http://tilastot.etk.fi> [<http://tilastot.etk.fi/>]

Additional information about the statistic is provided by the statistical service of the Finnish Centre for Pensions at [tilastot\(at\)etk.fi](mailto:tilastot@etk.fi).

More on other sites:

- Kela [<http://www.kela.fi/web/en/statistics>]