

PENSION RECORD

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1. General questions

1.1. What is the pension record?

The pension record is a list of all the work you have done that has been insured and for which earnings-related pension has accrued. The pension record of 2012 will, for the first time, include earnings data from the public sector as well as the private sector. This means that work for e.g. municipalities, the State and the Church will also be listed.

The record shows the names of your employers, your earnings from work and self-employment as well as the pension that has accrued by the end of 2011. It also shows pension that has accrued based on certain social benefits, such as periods of study and unsalaried periods.

You receive the record in order to be able to check and inform your employer of any deficiencies and errors in your employment information. Considering your future retirement, it is important that all information about your work is correct. Your pension provider calculates your earnings-related pension based on earnings data entered in the pension registers. Checking old information may be difficult and delay the processing of your pension application, if you do not retire until years or decades from now.

1.2. Who gets a pension record?

The pension record is given to every employee or self-employed person between 18 and 67 years old who is residing in Finland. Of those already retired, only part-time pensioners receive a pension record. All in all, pension providers will issue approximately 3.5 million pension records in 2012.

1.3. Why didn't I get a pension record?

- A pension record containing pension data from the private sector can be checked online already from the beginning of April, at the website of your own pension provider or at www.työeläke.fi. Pension data of the public sector can be viewed online starting autumn 2012 at the website of Keva at www.keva.fi. You can access the personal section of the web service by logging in with your internet banking codes.
- You don't have to wait for the printed version of the pension record to arrive. Pension providers all have their own schedules for posting the records, and they will be mailed between April and November. We will send the pension record to the address that is listed for you in the population register. Is your address up to date?
- The pension providers no longer send you the pension record by mail if you have opted to receive the electronic record, or have looked at it online since March. Keva still sends a printed record to their customers.
- We only mail the pension records to persons who are resident in Finland, not to addresses abroad.
- If you are already receiving a pension on account of age, illness or unemployment, you will not be issued a pension record. If you are on part-time retirement, however, you will receive a pension record.

1.4. How is my pension determined when I have been working in the municipal sector, for the state and for a private employer?

According to all earnings-related pension acts, pension is based on earnings from work and years spent working. Depending on the pension act, there has been, and is, some variation in the pension calculation rules. More detailed information is provided by your own earnings-related pension provider and on the website www.työeläke.fi.

All pension that has accumulated from your different earnings from work are added up, and the pension you receive is the sum. The earnings-related pension provider that has insured your last gainful employment is generally the one who also approves and pays your whole earnings-related pension.

1.5. Which earnings-related pension provider will be sending me my pension record?

The pension record is sent by the pension insurer (pension provider, pension fund, company pension fund, the Farmers' Social Insurance Institution or the Seafarer's Pension Fund) where your gainful employment was insured by the end of 2011.

The pension records of employees in the municipal sector, the State or the Church can be viewed online. If you have been insured with Keva at the end of 2011, they will send you a pension record.

1.6. Does the earnings-related pension record contain information on work abroad?

The pension record may display an insurance number for work carried out in Sweden, by which you can clarify the accrued pension. There is no information on other pension accrued abroad. Additional information on your pension security from abroad is available from the Finnish Centre for Pensions, inquiries: 029 411 2818. Inquiries in Swedish, 029 411 2815.

1.7. Does the earnings-related pension record contain information on private pension insurance?

The pension record shows the statutory earnings-related pension insurance, in other words the one that accrues from work, and which the employer pays on your behalf to the earnings-related pension provider. Any voluntary pension insurance that you may have taken out and paid for yourself constitutes an agreement between you the individual and a private life insurance provider, which your statutory earnings-related pension provider is not aware of.

1.8. Is the size of my pension affected by which pension provider it is that pays my pension?

No. The size of the earnings-related pension is determined according to the pension acts. Farming entrepreneurs (MYEL), seafarers (MEL), the State (VaEL), the municipal sector (KuEL) and the Church (KiEL) have their own earnings-related pension providers and acts, differing somewhat from the pension acts of the self-employed (YEL) and the pension acts of employees in other private fields (TyEL). All earnings-related pension providers that manage TyEL and YEL insurance follow the same act, and the amount of the pension is not dependent on the party paying the pension.

1.9. My pension record contains information about my work until the end of 2011. Where is the information from this year? Can I find out somewhere?

The pension record only includes data up until the end of the previous calendar year. Data from the current year will show up in the register once the earnings-related pension providers have received it from the employers.

If you were to retire now, the data on your work that is needed for the pension decision is naturally clarified with your employer already at this stage.

1.10. What is the life expectancy coefficient? How is it calculated?

The number of old-age pensioners will be growing quickly in the next few years and the life expectancy of the population is expected to rise. The resulting increase in earnings-related costs is controlled by the life expectancy coefficient, the purpose of which is to steer some of the growth in life expectancy to the active working years.

The life expectancy coefficient came into force in 2009 and was implemented for the first time in 2010. The coefficient is determined separately for each age cohort at the age of 62. The coefficient is calculated based on the general life expectancy of the population.

In 2012 the coefficient is 0.98351 and decreases, by 1.649 per cent, the old-age pension of those born in 1950, old-age pension taken early and old-age pension starting at an earlier age.

The disability pension is decreased by the coefficient of the year during which disability began. The coefficient only decreases the pension earned during work, not the pension accrued during the projected pension period.

Example: If a person born in 1950 has accrued a pension of EUR 1,500 by the time the old-age pension is starting, his pension will amount to EUR 1,475.30 (EUR 1,500 x 0.98351).

In the first few years, the life expectancy coefficient will only decrease the pension slightly. The decrease in pension of those born in 1948, 1949 and 1950 can be countered by working for 1–3 more months after the 63rd birthday.

The pension of someone born in 1957 does not decrease if he continues to work for 10–11 months past having turned 63. It pays to continue to work, since the pension accrual rises to 4.5 per cent per year from the age of 63.

The life expectancy coefficient in different years

Year	Year of birth	Life expectancy coefficient	Decrease in the pension %
2009	1947	1.00000	-
2010	1948	0.99170	0.83
2011	1949	0.98689	1.311
2012	1950	0.98351	1.649

1.11. There are errors or employment contracts missing from my pension record. What do I do?

If corrections need to be made to your information, please contact the pension provider who sent you the pension record. It is especially important to check the oldest information as soon as possible. Private-sector pension providers will, at your request, check employment contracts from the time period 2006–2011 that are missing or deficient. The process of correction becomes faster if you attach a work certificate and salary slip to your request for clarification.

If your request for clarification concerns information that is older, any missing information is corrected only if you enclose your work certificate, wage slip or other written document to the request. Please send your request for clarification to your own earnings-related pension provider.

Since the pension record is sent to all employees and self-employed persons residing in Finland, our advisory service might occasionally become overloaded. We will contact you when your clarification request proceeds to the processing phase.

There is no deadline for correcting employment relationships in the public sector.

1.12. What is meant by overall pension security?

The Finnish overall pension security consists of the earnings-related pension and the national pension and guarantee pension. Together they secure a basic income. The purpose of the earnings-related pension is to ensure that the level of consumption that was achieved during the working years is secured during retirement. The amount of the earnings-related pension depends on your earnings and number of working years.

The national pension secures an income when the earnings-related pension is less than EUR 1,257.96 per month for singles and EUR 1,120.46 for those who are married or co-habiting. If the total pension amounts to less than EUR 707.26, the guarantee pension is added.

National pension is paid out, like earnings-related pension, based on old age, disability, unemployment and on account of the death of the family provider. There are some differences in the conditions for receiving earnings-related pension and national pension. Additional information on the national and guarantee pensions is available from Kela (the Social Insurance Institution) at www.kela.fi or Tel +358 (0)20 692 202 (Pension matters).

1.13. How is pension applied for?

All earnings-related pensions must be applied for from the earnings-related pension provider with whom the last employment or self-employment has been arranged. Application forms are available from all earnings-related pension providers, the offices of the insurance companies, the Finnish Centre for Pensions, Kela and their respective websites. Old-age pension can also be applied for directly from the easy-to-use Työeläke.fi website, which all earnings-related pension providers and Kela link to.

There is a separate form for each pension type. A single pension application is enough for all pensions that start simultaneously. Additional information about how to apply for pension and any necessary attachments is available from your own earnings-related pension provider, their websites and www.tyoelake.fi.

There is usually only one decision issued for the whole earnings-related pension that has been granted, and it is given by the earnings-related pension provider that has insured your last employment contract. This provider also pays the entire earnings-related pension. Kela provides a separate decision on national pension and the guarantee pension.

2. Working

2.1. Employment in the private sector

2.1.1. I am still working for the same employer, why does my pension record say that the employment has ended at the end of 2004?

The information in the pension record has been divided into periods before and after 2005. This is due to the fact that pension calculation rules changed at the beginning of 2005. The accrued pension is now calculated separately for each year based on the annual earnings, not based on the employment contract.

Due to the change in calculation rules, employment contracts begun prior to 2005 have been listed as terminated by the end of 2004, and the pension accrued from them by that time has been calculated using the old rules.

2.1.2. Does the pension record contain a pension estimate?

The pension record shows the pension that has accrued by the end of the previous year. The covering letter that comes with the pension record usually contains an estimate of your old-age pension at the ages of 63, 65 and 68, if you are over 50 years of age. The electronic pension record comes with an estimate of both the old-age and disability pension for recipients of all ages.

2.1.3. How is my future old-age pension determined?

The covering letter for the pension record contains an estimate of your old-age pension at the ages of 63, 65 and 68. The calculation has been made using earnings from the last calendar year. Estimates are based on your earnings level remaining the same until you retire.

Based on current legislation, you can choose to retire anytime between the ages of 63 and 68.

2.1.4. How is pension accrued?

Since 2005

Pension accrues from work taking place between the ages of 18 and 68. The pension is calculated from the annual earnings from work, using age-related percentage rates.

Pension is accrued from annual earnings from work using the following accrual rates:

- Between 18–52 at 1.5%
- Between 53–62 at 1.9%

- Between 63–67 at 4.5%

Pension also accrues from different unsalaried periods, such as sick leave, unemployment and maternity leave at a rate of 1.5% per year. The earnings from work that form the basis of the social benefit are then used in the calculation.

Prior to 2005

Pension was accrued for those between 23 and 65 years of age. The pension was calculated separately for each employment contract and self-employment activity. For the working population, pension accrued at a rate of 1.5% per year from the pensionable wage of each employment contract or the pensionable income of the self-employed person. The pensionable wage was the average value of earnings from several years. The pensionable income of the self-employed person was affected by all confirmed YEL incomes in the YEL insurance, in relation to their periods of validity.

2.1.5. How is the pensionable wage calculated?

The pensionable wage is the average earnings of an employment contract, calculated from several years' earnings. The pensionable wage has been used when calculating the pension until the end of 2004.

The pensionable wage is calculated based on earnings from at most 10 index-adjusted calendar years preceding the year when the employment contract ended. Earnings from the year of termination are taken into account if the employment contract had been ongoing for at most three calendar years, or if it had been ongoing for the whole of the year of termination.

When the pension calculation method changed at the beginning of 2005, the employment contract-based pension calculation was relinquished. At the same time, the pensionable wage was discontinued, and the annual earnings of each year began affecting the pension. Employment contracts valid until further notice were technically cut at the end of 2004. The pensionable wage was calculated from earnings during the years 1995–2004. If the employment contract had continued for a shorter time period than ten calendar years, the pensionable wage was calculated based on earnings from these years.

In employment contracts ended before 1996, the calculation of the pensionable wage was affected by earnings from the last four calendar years at most.

Prior to calculating the pension, a share corresponding to the wage earner's earnings-related pension contribution is deducted from the annual earnings. The deduction has been made since 1996 and the amount has varied per year.

2.1.6. What is an increment to the earnings-related pension?

It was possible to earn an increment to the pension until the end of 2004. It was payable for periods of unemployment, rehabilitation or training. An increment to the earnings-related pension compensated for the fact that earnings-related pension did not accrue from these periods.

Since 2005, pension also accrues from unsalaried periods and the increment to the earnings-related pension is no longer accrued.

2.2. Old LEL and TaEL pension acts

2.2.1. What work is covered by TaEL and since when?

The Pension Act for Performing Artists and Certain Other Employee Groups (TaEL) first came into force in 1986. All artist professions with employment contracts lasting less than a year were insured according to TaEL. The work in question also needed to comprise a sufficient amount of artistic or performance work.

Since the beginning of 1998, TaEL was renewed to also apply to short-term employment contracts in the private sector, in addition to artistic professions.

Short-term private sector employment contracts lasting less than a month were insured regardless of the wage (except for work in LEL fields) as well as employment contracts lasting at least a month, where the wage was slightly less than the annually confirmed TEL limit (243.79

€/month in 2006). Additionally, all employment contracts (short and long) in which a domestic household was the employer were insured according to TaEL, with the exception of LEL fields.

The new Employees Pensions Act, TyEL, that came into force in 2007 replaced the TaEL, LEL and TEL pension acts.

2.2.2. Which jobs were insured according to LEL?

The employees' pensions act for short-term employment contracts, LEL, came into force at the same time as TEL on 1 July 1962. Everyone with an employment contract within the fields of construction, farming, forestry and harbour work were insured under LEL. LEL did not have limitations on the amount of wages paid or the duration of the employment contract. The new Employees Pensions Act, TyEL, that came into force in 2007 replaced the TaEL, LEL and TEL pension acts.

2.2.3. Who is left outside the LEL insurance?

The LEL insurance did not cover the self-employed, officials, or employees in the fields of plumbing or electricity who did not work for a construction company (they were covered by the TEL insurance). Employees of the public sector whose employment contracts were permanent and lasting all year round were also not insured under LEL.

2.2.4. At what age did pension begin to accrue?

Nowadays the employer's insurance obligation begins from the month following the employee's 18th birthday. Correspondingly, the pension begins accruing from the month following the month of the 18th birthday. The change applies to those who turned 18 in 2005 or thereafter.

Before 1 January 2005, the employer's insurance obligation began when the employee had turned 14 years of age. However, pension did not begin accruing until the employee had turned 23 years of age. Periods of work taking place prior to this had significance only if the employee became incapacitated to work before the age of 23.

2.2.5. Has there been a lower retirement age in LEL and TaEL old-age pensions?

There have not been any lower retirement ages in the LEL and TaEL schemes. The old-age retirement age has been 65 years for all employees. Following the 2005 pension reform, it is now possible to retire flexibly on an old-age pension between the ages of 63 and 68. A person who has reached the age of 62 may retire on an early old-age pension.

2.2.6. How do LEL and TaEL earnings show up on the pension record?

The pension record displays a list of LEL and TaEL employment contracts according to employers, from the year 2006. From previous years, only the annual earnings from work have been listed. If LEL and TaEL earnings are listed for the wrong months but the annual earnings are correct, it will not affect your pension security.

2.2.7. Should I make corrections if LEL and TaEL earnings are not displayed for the correct month?

If LEL and TaEL earnings are listed for the wrong months but the annual earnings are correct, it will not affect your pension security.

2.3. Self-employed persons

2.3.1. Do the self-employed receive a pension record?

The self-employed annually receive a pension record from their own pension provider. It displays the self-employment income that entitles to a pension, as well as earnings from other possible work. The information should be carefully checked.

2.3.2. Does the pension record show how changing the YEL income affects the size of the pension?

The amount of YEL pension has been calculated based on currently valid YEL income. The amount of accrued pension includes the impact of changes to earnings from work and flexible contributions.

If the pension record also displays an estimate of the future old-age pension, it has been calculated presuming that the last confirmed YEL income of the self-employed person will remain in force until the start of the old-age pension.

If you are considering changing the YEL income, please contact your own pension provider.

2.3.3. Does the pension record show if I have a right to a part-time pension as self-employed?

You will not be able to determine your right to part-time pension directly from the pension record. You would need to contact your own earnings-related pension provider and check the issue with them.

2.3.4. Why has the YEL income increased every year when the amount of accrued pension is the same?

The YEL income is annually raised by the wage coefficient to correspond to the level of the current year. The YEL income thus changes every year. The YEL income is reported on the pension record, in the index of each working year. Pension accrued, on the other hand, is reported together for all working years in the most recent index, which is that of the year during which the pension record has been sent. For this reason it appears as though the accrual is not changing although the YEL income increases every year.

2.4. Farming entrepreneurs and grant recipients

2.4.1. Do farming entrepreneurs and grant recipients receive a pension record?

All farming entrepreneurs (including forestry entrepreneurs, fishermen and reindeer herders) will receive a pension record in late autumn 2012. Those who have worked as farming entrepreneurs earlier will also receive a pension record. Persons receiving earnings-related pension, generational change pension, farmers' early retirement aid or farm-closure pension will not be receiving a pension record.

The Farmers' Social Insurance Institution (Mela) sends the pension record also to grant recipients.

2.4.2. Do the spouse and children of a farming entrepreneur receive a pension record?

The spouse of a farming entrepreneur receives a pension record if he/she is insured under MYEL or is working/has worked as a wage earner in the private sector, or has been insured under YEL. The children of a farming entrepreneur receive a pension record if they have been insured under MYEL or been wage earners in the private sector at the time of their 18th birthday.

2.4.3. Is there information about the farmers' early retirement aid on the pension record?

The pension record does not contain information about the farmers' early retirement aid. Information about the farmers' early retirement aid is available from the website of the Farmers' Social Insurance Institution on www.mela.fi or by calling their customer service, 020 630 0650.

2.4.4. Does the MATA accident insurance show on the pension record?

The pension record does not contain information about the MATA accident insurance. You can check your own accident insurance data from the electronic web service of Mela at www.mela.fi/asiointipalvelut. Access is gained by logging in with your web bank codes. You can also call the customer service at Mela, Tel 020 630 0650.

2.4.5. Why does the amount of accrued pension remain the same, although the MYEL income has increased every year?

The MYEL income, forming the basis of the pension, is reported on the pension record in the index for each working year. Pension accrued, on the other hand, is reported together for all working years in the most recent index, which is that of the year during which the pension record has been sent. The pension amount reported in the pension record takes into account index adjustments for all years in question.

Example:	Earnings forming the basis of the pension	Pension at the 2012 level
Year 2008 Entrepreneurial farming	22,302.91 €	32.02 €/month
Year 2009 Entrepreneurial farming	23,652.20 €	32.02 €/month
Year 2010 Entrepreneurial farming	24,426.06 €	32.02 €/month
Year 2011 Entrepreneurial farming	24,862.59 €	32.02 €/month
Year 2012 Entrepreneurial farming	25,616.60 €	32.02 €/month

When the earnings from work in the example are raised to the index level of 2012, the earnings from work for each year is EUR 25,616.60. This being the case, the monthly pension calculated using an accrual rate of 1.5 per cent is EUR 32.02 every year.

2.5. Seafarers

2.5.1. When does pension begin to accrue according to the Seafarer's Pensions Act?

Work according to the Seafarer's Pensions Act (MEL) began to accrue in 1956. All the work you have done up until the year 2004, while under the age of 65, is included in the pension. Since 2005, all the work you have carried out between the ages of 18 and 68 are included in the pension.

2.5.2. I have worked for many different shipping companies prior to 1991, however, the section 'marine service' only shows one employment contract prior to 1991.

When calculating the pension, all marine service carried out before 1991 forms a single employment. If the seafarer was working under a MEL contract at the turn of the year 1990/1991, all marine service taking place before 1991 will be added to this employment contract.

2.5.3. How is my pension according to the Seafarer's Pensions Act determined?

The method for determining the seafarer's pension has changed three times over the history of the seafarer's pension. One method was being used between 1956–1990, another between 1991–2004, and since 2005, a third method is now being used when determining the pension.

Until the end of 1990, time entitling to pension was determined in terms of contribution months. When calculating these months, the days on which insurance contribution had to be paid were taken into account. In addition to days at work, such days included e.g. sick days, annual leave and remuneration days. There could be a maximum of 12 contribution months in a year.

The amount of seafarer's pension accrued between 1 January–31 December 2004 is calculated separately for each employment contract. The pension amount is affected by the duration of the employment contract (the length of time entitling to a pension) and the average monthly salary of its last years. The total amount of the pension was formed as the total amount of pensions accrued from different employment contracts.

Since the beginning of 2005, the MEL pension is accrued based on earnings from work. The pension amount is affected by the length of the working career, earnings during the career and the age-determined accrual rate of the employee.

Thus a seafarer's pension that is e.g. based on a career stretching from 1975 to 2010 is determined using three different methods.

2.5.4. On the register extract there is a headline, 'MEL employment contracts lasting less than 15 days', what does this mean?

Before 1 January 2005, pension rights accrued from employment contracts lasting at least 15 days. However, shorter employment contracts also entitle to a pension if the total number of working days from these contracts amount to at least 15 days over the course of a calendar year.

2.5.5. I still work for the same shipping company, so why is my employment contract listed as having ended by the end of 2004?

Since the principles of determining a MEL pension were changed on 1 January 2005, all MEL employment contracts valid at the turn of the year 2004/2005 have been entered as though ended on 31 December 2004. Everyone covered by MEL insurance has the total amount of their pension calculated and registered for the period prior to 1 January 2005.

Following this date, MEL pension is accrued according to new calculation rules.

2.5.6. Does the MEL pension insurance contribution withheld from my salary have an impact on the pension amount?

When calculating the MEL pension, the MEL pension insurance contribution of 11.2% that is withheld from your salary is not deducted from the earnings forming the basis of the pension, as the MEL pension is determined according to your gross earnings.

2.5.7. What is the difference between general retirement age and accrued retirement age?

The general retirement age refers to the age when the employee has the right to retire on an old-age pension regardless of the duration of the maritime service.

Retiring at the accrued retirement age presupposes that

- the employee has a certain amount of maritime service
- the employee was in maritime service at the time of reaching retirement age
- the employee has had at least 18 months of time entitling to a pension during the last 3 years.

2.5.8. How is the accrued retirement age calculated?

The general retirement age of command and crew is between 63 and 68 years of age. A member of command can retire on an old-age pension at the accrued retirement age, at 60 at

the earliest, and crew members at 55 years of age at the earliest. The retirement age is calculated by deducting the months that exceed 324 MEL service months from the age of 63. A retirement age of 60 years thus requires 360 MEL service months, and a retirement age of 55 requires 420 MEL service months.

How is the time calculated when determining the accrued retirement age under MEL?

Since 1 January 2007, MEL service months are primarily calculated based on the days for which salary has been paid. Days taken into account are:

- days for which salary has been paid based on work
- days for which sick pay has been paid
- days of annual leave
- days for which annual leave compensation has been paid at the end of the employment contract
- compensatory days off or other, corresponding days off against pay that are included in the job alternation system
- days which have been compensated monetarily at the end of the employment contract, or compensation of days off against pay in another, corresponding alternation system, and
- days off without pay included in the alternation scheme of an employee on a part-time pension or partial disability pension.
- When calculating these days, a calendar month is always seen as including 30 days. The number of days in a calendar month may still exceed 30 for months during which annual leave and remunerations have been paid at the closing of an employment contract.

Days are changed to months by dividing the number of days by 30.

Every calendar month, employers prepare a monthly notification for each employee to the Seafarer's Pension Fund, showing the employee's salary and days to be taken into account. This being the case, transferring to part-time pension does not raise the retirement age of the employee. By contrast, a leave of absence raises the retirement age.

For the period 1 January 1991–31 December 2006, the MEL service month is noted based on time spent in employment, and the time before 1991 is noted based on days for which salary has been paid correspondingly as on 1 January 2007.

2.5.9. How is my pension accrued?

Accrual rates

A person between 18 and 52 years of age: For this period, pension accrues at the annual rate of 1.6 per cent (special MEL accrual rates) or 1.5 per cent (general MEL accrual rates), of earnings from work that the employee has earned from the beginning of the month following the 18th birthday until the end of the month of the 53rd birthday.

A person between 53 and 62 years of age: Pension accrues at a rate of 2.0 per cent per year (special MEL accrual rates) or 1.9 per cent (general MEL accrual rates), of earnings from work that the employee has earned from the beginning of the month following the 18th birthday until the end of the month of the 63rd birthday.

A person between 63 and 68 years of age: Pension accrues at a rate of 4.5 per cent per year (special MEL accrual rates) or 1.9 per cent (general MEL accrual rates) on earnings from work that the employee has earned from the beginning of the month following the 63rd birthday until the end of the month of the 68th birthday.

2.5.10. When are special accrual rates used, when the general rates?

The MEL pension can be determined applying either the special accrual rates of MEL (§66, MEL) or the general accrual rates of MEL (§72, MEL). General accrual rates are the same as in the employee pension acts (TyEL).

Special accrual rates are applied when an employee is retiring on an old-age pension or early old-age pension directly from an employment insured according to MEL. The procedure is the same if the employee has the right to receive a disability pension, the application for which the Seafarer's Pension Fund is authorized to process, and the employee's earnings from work

according to MEL during the first month of disability and the preceding thirty-six calendar months amount to a total of at least EUR 21,680.80 (the level in 2012).

The Seafarer's Pension Fund is usually competent to process a pension application in cases where the employee has been covered by a MEL employment contract at the time of disability.

General accrual rates are applied in all other cases. The MEL pension is usually determined according to these general accrual rates in cases where the employee has quit MEL service before reaching the old-age retirement age, the start of disability or unemployment.

2.6. Supplementary pension

2.6.1. What is meant by supplementary pension provision?

Every person in Finland who is in gainful employment must be insured by the employer according to one of the earnings-related pension acts. If the employer, in addition to this mandatory earnings-related pension, arranges a so-called improved benefit for the individual, such as the opportunity to retire prior to the statutory retirement age, or an increase to the pension itself, such an arrangement is called supplementary pension provision.

2.6.2. How do I know if I have a supplementary pension?

The supplementary pension provision attached to the employment contract is arranged by the employer. You will need to ask your personnel department or the employer's pension trust or pension fund in order to clarify whether or not you are covered by supplementary pension provision.

2.6.3. From which pension provider will I receive my supplementary pension?

The supplementary pension is paid by the pension fund, pension trust or pension provider, with which the supplementary pension has been arranged. This being the case, the supplementary pension may be paid by a different pension provider than the statutory earnings-related pension. The supplementary pension provision attached to the employment contract is arranged by the employer. You can contact your employer or the employer's pension trust or fund to learn the name of the pension provider.

2.6.4. Where do I find out the amount of my supplementary pension?

Information about the supplementary pension and its amount is only available from the pension fund, pension trust or pension provider, with which the supplementary pension has been arranged. The supplementary pension provision connected to your work is arranged by the employer. You may contact your employer to find out the correct pension provider.

2.6.5. At what age will I get a supplementary pension?

Information about the supplementary pension benefits and retirement age is only available from the pension fund, pension trust or pension provider, with which the supplementary pension has been arranged.

2.6.6. How is the pensionable wage of the supplementary pension calculated?

The supplementary pension is generally a benefit paid in EUR. Information about the supplementary pension and its amount is only available from the pension fund, pension trust or pension provider, with which the supplementary pension has been arranged. The supplementary pension provision connected to your work is arranged by the employer.

2.6.7. Why am I not entitled to a supplementary pension? What is it based on?

The supplementary pension provision connected to the employment contract is usually paid for by the employer, who also decides on whether to arrange it, in what form, and for whom. More detailed information about the supplementary pension is only available from the pension fund, pension trust or pension provider, with which the supplementary pension has been arranged.

2.6.8. Does the supplementary pension shrink my earnings-related pension?

The statutory earnings-related pension is usually taken into account when calculating the supplementary pension. The supplementary pension has always been subject to an agreement between the employer and employee, in which the benefits are described. More detailed information about the supplementary pension is only available from the pension fund, pension trust or pension provider with which the supplementary pension has been arranged.

The supplementary pension does not affect your amount of earnings-related (TyEL) pension at all. The earnings-related pension accrues based on gainful employment. The longer you work, the more earnings-related pension will be accrued, up until your 68th birthday. The earnings-related pension accrues by as much as 4.5 per cent of your annual earnings if you decide to continue working past the age of 63.

However, if you choose to quit working in order to enjoy your supplementary pension, the accrual of the earnings-related pension will naturally stop.

2.6.9. Does the earnings-related pension shrink my supplementary pension?

According to the Contracts of Employment Act, you can continue working until the age of 68 without separately negotiating it with the employer. However, there may be a rule in force at your workplace that states that the employee's contract will end once he or she reaches the supplementary pension retirement age (reduced retirement age).

How does work taking place after reaching the retirement age affect the pension? There are rules or an insurance contract in force for each supplementary pension. The accrual of the supplementary pension will end at the retirement age stated in the contract.

More detailed information about the supplementary pension is only available from the pension fund, pension trust or pension provider with which the supplementary pension has been arranged.

2.6.10. Can I continue to work past the reduced retirement age?

According to the Contracts of Employment Act, you can continue working until the age of 68 without separately negotiating it with the employer. However, there may be a rule in force at your workplace that states that the employee's contract will end once he or she reaches the supplementary pension retirement age (reduced retirement age). In order for such a rule to be possible, the amount of supplementary pension should constitute a significant benefit for the employee.

How does work taking place after reaching the retirement age affect the pension? There are rules or an insurance contract in force for each supplementary pension. The regulations on how to calculate the supplementary pension will be listed there.

More detailed information about the supplementary pension is only available from the pension fund, pension trust or pension provider with which the supplementary pension has been arranged.

2.6.11. Is it worthwhile for me to remain at work past the retirement age, as the earnings-related pension cuts my supplementary pension?

The rules or insurance contract governing the supplementary pension hold the answer to how work taking place after the retirement age affects the pension. The regulations on how to calculate the supplementary pension will be listed there.

Continuing to work also means receiving a salary, and the salary is always bigger than the pension. Earnings-related pension is accrued on all gainful employment until the age of 68. At the stage where the earnings-related pension is bigger than the supplementary pension, continuing to work always increases your pension.

2.6.12. Will I receive the supplementary pension already at 63 although I will retire at 65?

In order to receive the supplementary pension paid for by your employer, you are required to have reached the retirement age and to have finished work. The payment of the statutory pension and the supplementary pension usually begin at the same time.

If this is a question of individual pension insurance that you have arranged for yourself, the insurance conditions determine when you will start receiving your pension.

If the supplementary pension is based on a previous employment contract, payment of the supplementary pension is dependent on the rules or insurance regulations of the pension provider.

More detailed information about the supplementary pension is only available from the pension fund, pension trust or pension provider with which the supplementary pension has been arranged.

2.6.13. Will I still get my supplementary pension if I change employers?

The supplementary pension may remain, or it may not, in connection with changing workplaces. This is determined by the rules or insurance conditions that govern the supplementary pension. If the supplementary pension remains, it is a paid-up policy right.

More detailed information about the supplementary pension is only available from the pension fund, pension trust or pension provider with which the supplementary pension has been arranged.

2.6.14. Should I apply separately for a supplementary pension?

If the supplementary pension begins at a different time than the statutory pension, it is necessary to apply separately for the supplementary pension. If the supplementary pension begins at the same time as the statutory earnings-related pension and both pensions are paid by the same pension provider, both pensions are usually applied for on the same form. It is a good idea to check with the pension provider with which the supplementary pension is arranged.

2.6.15. Is the supplementary pension something other than just an old-age pension?

Old-age pensions, disability pensions, unemployment pensions and survivors' pensions, among others, can be paid as supplementary pensions. A funeral grant may also be a supplementary pension benefit.

There are rules or an insurance contract in force for each supplementary pension. They state which pensions or other benefits are paid as supplementary pension. There may be one or several benefits.

More detailed information about the supplementary pension is only available from the pension fund, pension trust or pension provider with which the supplementary pension has been arranged.

2.7. Public sector

2.7.1. What does individual retirement age mean?

The retirement age of a person who has worked in the public sector is determined based on work history or profession. This individually determined retirement age is referred to as an individual retirement age. The retirement age of someone in municipal service is calculated based on how much time entitling to municipal pension this person has accrued by the end of 1994, to the day. The retirement age of a person working for the State or the Church is determined on a graded, four-month scale according to how much time entitling to pension has accrued by the end of 1994 while working for the State or the Church.

Additionally, the municipality and the state have lower occupation-specific retirement ages (55–62 years). These ages could be selected up to 1996 (municipality sector) and 1999 (the State). An individual as well as a lower occupation-specific retirement age may be implemented if public service continues without interruption until retirement age.

It is possible to retire flexibly from public sector service between the ages of 63–68. Financially, it pays to continue working at least up until the individual retirement age.

2.7.2. Is it necessary to check information from the public sector?

It is always good to check your pension data, in order for possible deficiencies and errors to be corrected. There is no set deadline for correcting the information. The future pension will be calculated based on information in the pension record.

2.7.3. Will there be a pension record sent from Keva every year from now on?

Keva will be sending a printed pension record to all their customers just this once. In the future you will be able to check your pension information from Keva's website, or, if necessary, request a pension record from Keva's customer service.

2.7.4. Where do I get my public-sector pension information?

Keva manages the pension matters of the municipal sector, the State and the Church as well as the employees of Kela (the Social Insurance Institution). Keva will be sending a pension record to all their customers in autumn 2012. Pension information of the public sector will then be available also from Keva's website.

2.7.5. Where do I get pension information from the Bank of Finland and the regional government of Åland?

Pension information from the Bank of Finland

Inquiries relating to pension matters are directed to Varma, Tel 010 192 084, e-mail spelake@varma.fi

For information on the pension record, the service record and related registrations please turn to Innova. The contact details are: Innova Henkilöstöraho- ja Eläkepalvelut Oy sppalvelussuhde@innova.fi , Tel 010 516 7001

Pension information from the regional government of Åland

You can check your pension provision with the regional government of Åland at the number 018 250 00 or via mail to: Ålands landskapsregering, Avtals- och pensionsbyrån, PB 1060, AX-22111 Mariehamn.

2.7.6. Can I continue at the same post after having reached the retirement age?

The service ends at the retirement age. The general retirement age in state office is 68 years. If you have a retirement age that is lower than this (60, 63 or 65 years), your service will end at the retirement age without you having to hand in your resignation. Lower retirement ages exist e.g. in the police force. Those serving with the Armed Forces and the Finnish Border Guard have lower retirement ages than the aforementioned.

2.7.7. How is pension calculated in the public sector?

There is more information about the calculation of pensions in the public sector (municipalities, the State, the Church and Kela's employees) on Keva's website, www.keva.fi.

3. Unsalaries periods

Earnings-related pension is accrued on unsalaried social benefits, as long as there is earnings-related pension insured gainful employment at a combined sum of at least EUR 16,223.61 during the whole working career (the level in 2012). The limits for the unsalaried periods are adjusted annually using the wage coefficient, in other words the same index as for the earnings-related pension.

3.1. Is it true that I get a pension from my studies? I graduated in the spring of 2003. Why does the accrued pension not show in my pension record?

Since the beginning of 2005, pension has accrued on certain unsalaried periods of time. Studies leading to a profession or an academic degree have accrued pension for at most 5 years. Pension accrues to the same degree as if the student had a monthly salary of EUR 675.98 (at the 2012 level).

However, if you have studied and completed a degree prior to 2005, pension has not accrued. It is good to note that pension accrued from a degree will not show up on the pension record until at least a year after graduation.

3.2. I was on nursing leave, why has my employment contract been cut in the pension record?

Prior to 2005, unsalaried periods accrued pension if they were shorter than a year. When the unsalaried period of time had lasted over a year, the employment period entitling to a pension was cut on the day when the last salary payment of that year had been made. The cut-off day was usually the last working day before the unsalaried period began, or some holiday pay date.

Pension accrues to the same degree during your nursing leave as if you had a monthly salary of EUR 675.98 (at the 2012 level).

3.3. How do other unsalaried periods show on the pension record?

From the beginning of 2005, pension has accrued on certain unsalaried period such as maternity, paternity, special maternity and parental leave, earnings-related unemployment allowance and alternation leave, as well as other periods of earnings-related daily allowance. Pension also accrues from periods of study and caring for a child under the age of three. For periods of maternity, paternity, special maternity and parental leave, pension is calculated from the salary forming the basis of the daily allowance, taken into account up to 117%.

Pension is accrued on earnings-related social benefits based on the taxable salary or earnings established for the self-employed person, according to which the social benefit amount in question has been calculated. The share of earnings that accrues pension varies depending on the benefit and is between 55 and 117 per cent.

Pension accrues to the same degree as if the student or caregiver had a monthly salary of EUR 675.98 (at the 2012 level).

3.4. Pension accrual on different social benefits

Since the beginning of 2005, earnings-related pension has been accruing from certain unsalaried periods and social benefits at a rate of 1.5% of earnings. The basis of the earnings that accrue pension in social benefits is the taxable salary prior to the benefit, or the earnings established for the self-employed.

As income is seen:

- 117% of the earnings based on which daily allowance is calculated for maternity, paternity and parental leave months
- 75% of the earnings based on which daily allowance is calculated for unemployment allowance days, and 55% for alternation leave
- 65% of earnings based on which compensation is calculated for income support, rehabilitation allowance, sickness allowance, accident and motor liability insurance compensation
- from periods of study, if the student completes an academic or higher vocational degree or basic vocational degree, and for periods of caring for a child under the age of three, earnings are considered to be EUR 675.98 per month (at the 2012 level).

4. In retirement

4.1. Does new pension still accrue of me if I work alongside receiving a pension?

Work carried out alongside receiving an old-age pension, unemployment pension or disability pension accrues pension at a rate of 1.5% of annual earnings until the age of 68. The accrual rate is the same for everyone and is not affected by your age.

For work carried out while receiving a part-time pension, the accrual rates are the following:

- Those born in 1947–1952 receive pension at a rate of 1.9% per year until the age of 62 on their part-time earnings, and at 4.5% per year after having turned 63. Additionally, pension accrues at 0.75% per year on the earnings reduction, in other words the difference between the earnings from full-time work and part-time work.
- Those born in 1953 and after earn pension from their part-time work at a rate of 1.9% per year until the age of 62, and at 4.5% per year after having turned 63. Pension does not accrue on the earnings reduction, which is the difference between the earnings from full-time work and part-time work.

4.2. Do I have to pay tax on my pension?

The earnings-related pension and the national pension are taxable income. However, the taxation of pension income differs from the taxation of wages due to the pension income deduction. The pension income deduction applies to both state and municipal tax. The deduction amount depends on the pension recipient's combined taxable income. The tax authorities take the pension income deduction into account in the tax withholding rate.

The pension provider paying the pension carries out the deduction of tax on the pension. In order for the advance tax charged on the pension to be in line with the final taxation, the pension recipient should request a new withholding rate from the tax office as soon as possible after having received the pension decision. For the purpose of calculating the tax rate, the tax office needs a clarification of all income during the current year. The pension recipient needs to deliver the taxation information to the pension provider by the start of the year of pension payment. Over the following years, the pension provider will receive the information straight from the tax authorities.

4.3. What are the earnings limits for different pensions?

It is possible to work without limitation while receiving an old-age pension. Work carried out alongside receiving an old-age pension should be insured, and new pension accrues on earnings from work until the age of 68. Insuring self-employment is voluntary at this stage. Earnings from work while receiving an old-age pension may affect national pension increments, for example housing support.

A person receiving a full disability pension can earn at most 40 per cent of the average salary of the years prior to disability; for a person receiving a part-time disability pension, the same figure is 60 per cent. If the limit of 40 or 60 per cent remains at less than EUR 713.74, earnings may amount to at most EUR 713.74 per month. A full disability pension can be changed into a partial disability pension if the pension recipient has continuous earnings exceeding the upper limit. If the earnings limit is exceeded, the pension may also be left resting, which means it is interrupted for at least three months and at most two years.

The part-time pension differs from other pension forms in that in order to receive it, work must continue. If the work ends, so does the pension. It is possible to be away from work for at most six weeks, not including holidays and periods of illness. A part-time pension presupposes that earnings from part-time work are 35–70% of the established earnings level of full-time work. If earnings during part-time work change by at least 15 per cent, the amount of part-time pension is recalculated. A self-employed person on a part-time pension should have a YEL income of at least EUR 7,105.84 per year.

Unemployment pension is not paid for those months during which the earnings of the pension recipient exceed EUR 675.98 per month (in 2012).

The surviving spouse's pension is affected by the surviving spouse's own pension or other income.

If you have questions about the impact of gainful employment on the generational change pension, farmers' early retirement aid or farm-closure pension, please consult Mela at www.mela.fi.

Pensions and aids paid by Kela are subject to different rules than the earnings-related pensions. More information on the impact of work on these benefits is provided at www.kela.fi or by calling Kela's customer service at 020 692 202 (Pension matters).

Pension paid without cause can be collected.