

Pensions and retirement

BRIEFLY AND IN PLAIN LANGUAGE



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Pensions and retirement

You can get a pension due to old age, disability or unemployment.

Pensions are paid by authorised pension providers and by Kela.

This brochure tells you about the types of pensions Kela pays and other support for pensioners and the retired.

At the end of the brochure, you will find information on how to apply for pensions and other benefits.

The brochure describes the situation in 2021. You find more information about the effects of the coronavirus epidemic on Kela benefits on the internet.

More information on the internet and by phone



Visit Kela's website for more information about Kela benefits:

www.kela.fi/english

More information about pensions is available on Kela's website:

www.kela.fi/pension



If you have questions, call

020 634 2650

What kind of pension can I get?

You can get two types of pension due to old age, in other words, as an old-age pension.

The pensions are earnings-related pension and national pension.

Earnings-related pensions are paid by authorised pension providers.

National pensions are paid by Kela.

National pensions are available as old-age pensions to recipients aged 65 years and over.

The age limit for the earnings-related pension depends on your year of birth.

You can retire on a disability pension before the old-age pension, if you cannot work or study.

Disability pensions are available as both an earnings-related pension and a national pension.

They are usually only available after a long period of illness.

There are also three types of pensions that Kela does not pay. They are

- the partial disability pension
- the partial early old-age pension
- the years-of-service pension.

For further information, contact your pension provider.

Along with pensions, you can get the following benefits from Kela:

- child increase
- housing allowance for pensioners
- care allowance for pensioners
- front-veteran's supplement and additional front-veteran's supplement
- social assistance (income support).

Earnings-related pension

Most pensions are earnings-related pensions.

You earn your pension with your own paid work.

Earnings-related pensions are handled by authorised pension providers. There are several of these.

You and your employer pay pension contributions over the years.

The amount of your pension depends on how long you have been working and how much you have earned.

A private business owner pays pension contributions to the pension company of his/her choice.

Farmers pay pension contributions to their own social insurance institution, Mela.

Information about earnings-related pensions is available

- from the pension provider
- from the Finnish Centre for Pensions (Eläketurvakeskus)
- on the internet:
www.tyoelake.fi

National pension

If you do not receive an earnings-related pension or it is small, Kela will pay a national pension.

You can get a full national pension only if you do not have any earnings-related pension payments coming to you or you get at maximum about 56 euros per month.

If you get more earnings-related pension money than this, the national pension is smaller or you do not get it at all.

The full amount of the national pension is about 665 euros per month.

If you live with a partner, the corresponding amount is about 594 euros per month.

The national pension may be smaller if you have retired on an old-age pension before reaching age 65.

The national pension may also be smaller if you have lived abroad.

If you move abroad, it may affect the national pension.

For more information on the effect of stays abroad on pensions call

020 634 0200

The national pension is reduced by

- your earnings-related pension
- other pension payments and compensations.

The national pension is not reduced by

- your spouse's income
- pension accrued during periods of child care
- pension accrued during periods of study
- one-off increases in disability pensions.

The pensions provided by Kela and the earnings-related pensions are subject to tax.

Income limits for the national pension

To qualify for a national pension, any other pensions or benefits you get may not exceed a certain limit.

Kela does not make a decision about a national pension or guarantee pension before it is clear how much the other pensions due to you will be.

You can receive a national pension if your other pensions that affect the national pension and any compensations you get fall below the following income limits:

- if you live with a partner, about 1,231 euros per month
- if you live alone, about 1,373 euros per month.

The income limits refer to gross income before taxes are taken out.

The income limits may be lower if you have lived abroad.

Guarantee pension

Kela will pay you a guarantee pension if your other pensions are really small or if you do not have any other pension.

The guarantee pension is only available to pensioners who are living in Finland. It can be paid when a pensioner has lived in Finland for at least three years.

The full amount of the guarantee pension is about 838 euros per month. If you do not receive any other pension payments, you can get the full guarantee pension. However, the guarantee pension is smaller if you have applied for an early old-age pension before reaching the normal retirement age. In that case you may not receive any guarantee pension at all.

The guarantee pension is also reduced by any other pensions you get. They are deducted in full from the maximum guarantee pension amount.

The guarantee pension is not reduced by for instance care allowance, housing allowance, earnings from work, property or your spouse's or partner's property. If you get a disability pension, your earnings may affect the guarantee pension, however.

Family circumstances do not affect the guarantee pension.

For more information on the effect of stays abroad on the guarantee pension call **020 634 0200**

Old-age pension

The old-age pension can be earnings-related pension, national pension or both.

The old-age pension payable under the national pensions system begins at age 65.

If you have lived or worked abroad, the amount of the old-age pension may be small.

Example

Kalle and Kaisa are married. They are both retired.

Kalle receives an earnings-related pension of 1,300 euros per month. He does not qualify for a national pension or a guarantee pension.

Kaisa has spent many years looking after their children at home. Her earnings-related pension comes to 500 euros per month and her national pension to about 370 euros per month. In total, Kaisa receives about 870 euros per month in pensions. She does not qualify for a guarantee pension.

Getting a pension early

If you have the right to a national pension, you can decide whether or not you will take it as an early old-age pension before you are 65 years old.

If you were born before 1958, you can take an early old-age pension at the earliest at age 63.

If you were born in 1958–1961, you can take an early old-age pension at age 64.

Early retirement payments are permanently smaller than for those starting a national pension at the age of 65. Pension payments are reduced by 0.4% for each month they are brought forward.

It's a good idea to find out how much your old-age pension payments will be if you retire early.

Example

Maija retires on an earnings-related pension at age 63 years and 9 months. Her earnings-related pension comes to 700 euros per month.

Additionally, she applies early for a national pension, bringing forward the start of her pension by 1 year and 3 months.

Her national pension will be 6% (about 20 euros per month) smaller than it would be had she taken it out at age 65.

Maija lives alone.

Her national pension amounts to about 320 euros per month in addition to her earnings-related pension.

Postponing the pension

You do not have to apply for a pension when you reach the age of 65.

You can postpone the start of your pension, and by doing so, increase your pension.

Pension payments are increased by 0.6% for each month they are postponed.

Unemployment and the pension

If you are unemployed and close to retirement age, you can enter the so-called unemployment path to retirement, that is, get unemployment allowance until you apply for an old-age pension.

If you were born before 1958, you may have the right to claim old-age pension at age 62.

If you were born in 1958–1961, you may have the right to claim old-age pension at age 64.

In this case, your pension will not be reduced. Otherwise you will continue to receive unemployment allowance until you are 65.

Disability pension

If you are ill for a long time, you normally get sickness allowance first.

When you have received sickness allowance for 150 working days, Kela sends a letter to your home that tells about rehabilitation and pension. You may be invited to visit Kela to discuss the possibility of improving your ability to work.

You can normally get a disability pension only after you have received sickness allowance for about a year.

A disability pension can be both an earnings-related pension and a national pension.

You need only submit one application and one doctor's statement to apply for both.

Who can get a disability pension from Kela?

You can get a disability pension if you are 16–64 years old and you have an illness or physical problem that stops you from working.

Persons who are 60 years old or older and have a long work history can get this pension more easily.

Persons who are permanently blind or physically disabled always get a disability pension, even if they work. In that case, the person's other incomes that affect the national pension must not exceed the income limit for the national pension.

When you are 65 years old, Kela changes your disability pension to an old-age pension. This will not change the amount of the pension.

A young person gets rehabilitation allowance

If you have become disabled before you are 15 years old, you can get a disability pension when you are 16 years old. Normally this is not granted to those under the age of 20, however.

Instead, young persons can be granted vocational rehabilitation and rehabilitation allowance.

The objective of vocational rehabilitation is to help you get into working life.

A personal study and rehabilitation plan is made for you. This is made together with your guardian and specialists.

Instead of a pension, you get a rehabilitation allowance for young persons, which amounts to at least 33.51 euros per day.

Along with this, you can get a disability allowance.

Rehabilitation subsidy

You can get disability pension payments on a fixed-term basis. This is known as a rehabilitation subsidy. It is paid during the period of care or rehabilitation.

The requirement is that a rehabilitation or treatment plan has been prepared for you.

The amount of the rehabilitation subsidy is the same as that of the disability pension, and it is paid on the same criteria.

Working when you are on a disability pension

Even if you are on a disability pension, you can also do some work.

If you work, report it to Kela and your authorised pension provider. Kela will continue to pay you a pension if your earnings do not exceed 837.59 euros per month.

If you work regularly and earn over 837.59 euros per month, you can put your pension on hold for a maximum of two years. This means that you will not be paid a pension, but you do not have to apply for it again if your work finishes within two years.

If you put your pension on hold and you have previously received a care allowance for pensioners, you will get the highest disability allowance along with your salary, to the amount of about 423 euros per month. Tax is not taken out of your payments.

If you stop working, inform Kela immediately. Kela will start paying your pension again.



Other benefits for pensioners

Kela pays pensioners the following benefits:

- child increase
- housing allowance for pensioners
- care allowance for pensioners
- front-veteran's supplement
and additional front-veteran's supplement
- social assistance (income support).

No tax is withheld from these benefits.

Child increase

If you are on a pension and you've got a child aged under 16 years at home, you can apply for a child increase from Kela. You can get a child increase for your own children and those of your spouse or partner.

The child increase is about 22 euros per month for each child.

You also get a child increase for a child of your own who lives somewhere else if you look after his/her needs by paying at least an amount equal to that of the child maintenance allowance (about 167 euros per month).

You can get a child increase even if you do not get a national pension.

Other pensions may also entitle to a child increase.

Housing allowance for pensioners

You can get housing allowance for pensioners from Kela, if you are not entitled to general housing allowance.

One requirement is that you have only a small income and receive a pension that gives you eligibility for the housing allowance for pensioners.

Kela can pay housing allowance for pensioners directly to the landlord.

You do not have the right to a pensioner's housing allowance, however, if you only get for example one of the following:

- partial disability pension
- part-time pension
- partial early old-age pension

You can claim housing allowance for pensioners

- if you live alone
- if you live with your spouse/partner
- if everyone living in your home is being paid a pension that qualifies them for a housing allowance for pensioners.

Spouses who are both retired must claim housing allowance together.

The allowance is divided half-and-half between them.

In other cases, check your entitlement to general housing allowance.

If you have questions about the general housing allowance, call **020 634 2550**.

If you have questions about the housing allowance for pensioners, call **020 634 2650**.

Care allowance for pensioners

If your physical capacity has gone down because of illness or a disability, you can get a care allowance from Kela. Costs caused by illness or disability are also compensated through the care allowance.

You can get a care allowance if your ability to look after yourself has been impaired for a period of at least one year. This means that you need help or care in your daily functions or your illness results in special costs.

You cannot get a care allowance if you receive any of the following pensions:

- partial disability pension
- part-time pension
- partial early old-age pension.

Instead, you can apply to Kela for disability allowance.

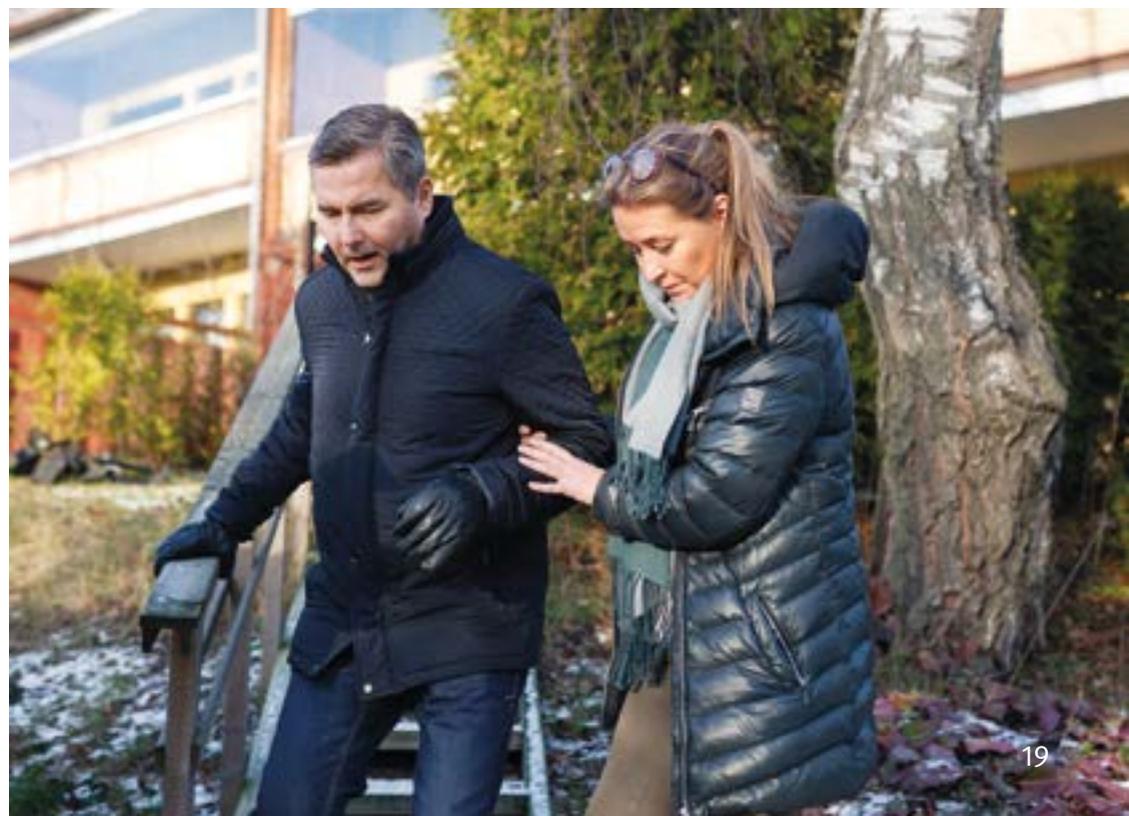
Care allowances are paid in various amounts depending on how difficult the illness or disability is and the costs incurred:

- The care allowance at the basic rate is about 71 euros per month.
- The increased care allowance is about 156 euros per month.
- The highest care allowance is about 329 euros per month.

Kela will pay a supplementary allowance of about 108 euros per month to those veterans who have a front veteran's additional supplement and an increased or highest care allowance for pensioners.

Income or property does not affect getting the care allowance.

The care allowance is granted either for the present time (no time limit set) or with a time limit.





Front-veteran's supplement and additional front-veteran's supplement

Kela pays a front-veteran's supplement to men or women who have one of the following marks:

- front-soldier badge
- front-line service badge
- front-line badge.

These marks (badges) can no longer be applied for.

Front-veteran's supplements can also be received by persons who have taken part in mine-clearing tasks from 1945 to 1952.

The front-veteran's supplement is about 125 euros per month. Income or property does not affect getting a front-veteran's supplement.

Kela also pays additional front-veteran's supplements to those who get front-veteran's supplements and national pensions. The largest additional front-veteran's supplement is about 258 euros per month.

Survivors' pension

The death of a near relative brings changes to a family's finances.

The survivors' pension provides economic security to widow(er)s and children if a spouse or parent dies. It is paid either as a spouse's pension or an orphan's pension.

Survivors' pensions from Kela are available for

- widow/widower under 65 years of age
- child under 18 years of age whose parent or guardian has died.

Children who are studying can get a survivors' pension until they are 21 years old.

Alongside Kela's survivors' pension, you can get survivors' pension payments from an authorised pension provider. You can get information from the authorised pension provider concerned or from the Finnish Centre for Pensions. Farmers and business owners have their own pension insurance schemes.

If the deceased relative has lived or worked abroad, the family can also get a pension from abroad.

If the deceased relative was in gainful employment, his/her spouse and child can also receive a lump-sum compensation payment from group life insurance. You can get more information from the deceased relative's workplace.

If death was caused by a traffic or other type of accident, the spouse and child can also get survivors' pensions from car or accident insurance.

The insurance company provides further information about this.

Other survivors' pensions and compensations can affect the pensions and housing allowances paid by Kela.

Survivors' pensions are taxable.

Spouse's pension

Kela pays spouse's pension only to surviving spouses under the age of 65.

A starting pension and a possible continuing pension are part of a spouse's pension.

If your income is small, you can also apply for a housing allowance.

You can get a spouse's pension, if you were married to or in a registered partnership with the deceased person. The widow(er) of an unmarried life partner cannot get a spouse's pension, but the children they have together can get orphan's pensions.

If you haven't got any children together, you can get a spouse's pension only if all the following criteria are met:

- You were at least 50 years old when your spouse/partner died.
- You were aged less than 50 years and your spouse/partner less than 65 years when you were married or entered into a registered partnership.
- The marriage or registered partnership lasted at least 5 years.

After the death of a spouse, Kela pays about 329 euros per month as a starting pension. This starting pension is paid for 6 months.

After the starting pension is over, you can get a continuing pension. It is made up of a basic amount and an additional amount.

The basic amount is about 103 euros per month. You get this only if you have a dependent child who is under 18 years old (your child or your spouse's child).

Almost all your income affects your ability to get the additional amount. The full additional amount is about 534 euros per month. If you get married again, the full additional amount is about 462 euros per month.

If your spouse lived abroad, the pension may be paid at a reduced rate.

If you re-marry

If you get married again before you are 50 years old, Kela stops payment of your spouse's pension.

However, you will get a lump sum equal to 3 years of pension payments. This requires that you have been paid spouse's pension for at least a year.

Orphan's pension

If a child's parent dies, Kela pays orphan's pension to the child.

Parent means a person who has lived with the child and cared for the child.

The parent can be the mother, the father or someone else.

Kela pays the orphan's pension until the child is 18 years old. If the child is studying, the pension can continue until the age of 21.

In addition, the authorised pension provider of the dead parent pays an orphan's pension.

The basic amount of the orphan's pension paid by Kela is about 60 euros per month.

If both parents are dead, the child gets about 120 euros per month.

Children aged under 18 years can also get an additional amount which is affected by the other survivors' pension payments they may get. The maximum amount of the additional amount is about 91 euros per month.

Application and payment

Apply for old-age pension, guarantee pension, disability pension, rehabilitation subsidy and housing allowance for pensioners online:

www.kela.fi/asiointi (in Finnish)

www.fpa.fi/etjanst (in Swedish)

See the application for a list of the documents you need to send with the application. The documents can also be sent online.

You can also apply for pensions and other benefits by filling in an application form that you can get from any Kela office or from Kela's website:

www.kela.fi/forms

If you apply for a Kela benefit on an application form, you should send the application to Kela by post.

Kela's address is

Kela

PL 10

00056 KELA

Pension applications may also be submitted to any pension provider.

Applications for child increase, spouse's pension or orphan's pension from Kela can only be made on paper.

To apply for an old-age pension or guarantee pension from Kela, you can also just call or visit a Kela office.

Apply for an old-age pension some months before you intend to retire.

Kela pensions can be granted retroactively for up to 6 months only.

As soon as Kela has processed your application, you will receive a decision.

The amount of the pension or allowance, the criteria based on which it is granted, and the payment date are shown in the decision. You get a decision even if it is negative.

Living and working in another country can affect national pensions and survivors' pensions.

If you have worked in some other country besides Finland, you may also be eligible for a pension from the country of employment.

A spouse can get a survivors' pension from the country where his/her dead husband/wife used to work.

Certain pensions from other countries can be applied for by using the same form as for Finnish pensions. Also remember to complete and submit Appendix U.

You can ask for an estimate of the pension amount beforehand

If you want to find out beforehand what your rights to a national pension are, you can ask for an estimate of your earnings-related pension from your own pension provider.

You can also get an estimate online:
www.tyoelake.fi

The service directs you to the services of your pension provider.

Then, ask Kela for a national pension estimate and also find out whether you are entitled to a guarantee pension.

Payment dates

Kela deposits payments of old-age pension, disability pension, care allowance for pensioners and front-veterans' supplement to the recipient's account on the 7th day of the month.

Guarantee pension is paid on the 22nd of each month.

Housing allowance for pensioners is deposited to the recipient's account on the 4th of the month.

Child increases and survivors' pensions are paid into your bank account according to the first letter of your surname as shown below:

- A–K 4th of the month
- L–R 14th of the month
- S–Ö 22nd of the month

If banks are closed when a pension or other benefit is scheduled to be paid to you, the money will be deposited to your account earlier.

Example cases of income in retirement 2021

The table shows examples of a single-resident pensioner's income and taxes in the Helsinki area.

In all examples, the rent for the residence is 700 euros per month.

The pensioner has no other income than a national pension or an earnings-related pension.

The sums of money are rounded off and are not exact.

Earnings-related pension EUR/month	National pension EUR/month	Guarantee pension EUR/month	Tax EUR/month	Housing allowance EUR/month	Net income EUR/month*
0	0	838	0	530	1 368
0	665	172	0	530	1 368
100	643	94	0	530	1 368
200	593	44	0	530	1 368
400	493	0	0	511	1 404
600	393	0	-7	475	1 461
800	293	0	-42	440	1 491
1 373	7	0	-148	340	1 572

*Net income means a pensioner's disposable income after deduction for taxes.
Rent and other costs of living are paid with this income.

Report changes

If your situation changes, this may affect the benefits you get from Kela. The change can for instance concern housing, income, work or family circumstances.

Remember to report such changes to Kela. You can report the changes online, by phone or by visiting any Kela office.

It is up to you to make sure that Kela has the correct information. That way you will be paid the right amount of benefit.

If you receive a decision that contains an error

If you think that the decision you got from Kela is wrong, you can appeal to have it changed.

Instructions on how to appeal are provided with each benefit decision.

If you have any questions, you should first contact Kela.



In Kela's e-service you can

- apply for Kela benefits
- submit additional documents
- get information about the status of your application
- send messages
- report changes
- stop the payment of benefits.

Kela at your service

On the internet

Visit Kela's website for more information:
www.kela.fi/english

Online assistance:

www.kela.fi/kysy-kelasta

The site is in Finnish and Swedish, but you can ask questions in English and get a reply in English.

You can use calculators to calculate the amounts of the benefits:

www.kela.fi/laskurit (in Finnish)

www.fpa.fi/berakningar (in Swedish)

Kela's e-service:

www.kela.fi/asiointi (in Finnish)

www.fpa.fi/etjanst (in Swedish)

You must sign in to the e-service. You need online banking codes or a mobile certificate.

By contacting a Kela office

Addresses and opening hours of the Kela offices are available at
www.kela.fi/offices

Do you need an interpreter?

If you do not speak Finnish, Swedish or English, you can ask for interpreter assistance:

www.kela.fi/interpretation

Services in the Sámi languages:

www.kela.fi/saame

By phone

Open workdays from 9am to 3pm

Housing benefits..... 020 634 2550

Pensions020 634 2650

Rehabilitation and disability..... 020 634 2650

International situations (workdays from 10 am to 3 pm) 020 634 0200

Students and conscripts..... 020 634 2550

Overpayment recovery.....020 634 4940

Sickness and cards 020 634 2650

Social assistance 020 634 2550

Unemployment 020 634 2550

Families 020 634 2550

Book an appointment

You can book an appointment by calling our customer service number, or online:

www.kela.fi/appointments

The booking of appointments online will be reorganised.

After the reorganisation, you will have to sign in in order to book an appointment.

To sign in, you need online banking codes or a mobile certificate.

Kela website in English:

www.kela.fi/english

Kela brochures in English:

■ **Pensions and retirement**

Families with children

Moving to or from Finland

Students and conscripts

Health and rehabilitation

Social assistance

Unemployment

General housing allowance

The brochures are available at Kela offices.

Brochures in other languages:

www.kela.fi/other-languages