

# Pensions and Retirement

Pensions, housing allowance and care allowance

BRIEFLY AND IN PLAIN LANGUAGE



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# Pensions and Retirement 2019

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

The brochure describes the situation in 2019. It does not, however, include all the details on the different types of benefits.

All amounts of pensions and support are rounded up or down. They are stated as gross amounts (before taxes are taken out).

More information about the pension amounts is available at



[www.kela.fi/pension](http://www.kela.fi/pension)

You have to apply for pensions and other benefits paid by Kela. You can apply for benefits online:



[www.kela.fi/asiointi](http://www.kela.fi/asiointi)  
(in Finnish) or  
[www.fpa.fi/etjanst](http://www.fpa.fi/etjanst)  
(in Swedish)

The disability pension cannot be applied for online.

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



[www.kela.fi/forms](http://www.kela.fi/forms)

The requirements you must meet to qualify for benefits from Kela have been specified in various legislative acts. When Kela makes a decision about a benefit, the applicant's circumstances are considered individually.

The circumstances of the applicants and their need for support can vary a great deal. Consequently, the amount of financial support varies, too.

# What kind of pension can I get?

Before you apply for a pension, find out what types of pension you are entitled to. Usually you can apply for earnings-related pensions, pensions paid by Kela and certain pensions from other countries on the same application form or online. To apply for an old-age pension or guarantee pension from Kela, you can also just call or visit a Kela office.

## What type of pension and at what age?

Old-age pensions are generally claimed when people reach 63.5–68 years of age. Old-age pensions are available as both an earnings-related pension and a 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. The age limit in the earnings-related pension scheme will be gradually increased to 65 years.

Disability pensions are claimed before old-age pensions if you are not able to work or study.

Disability pensions are also available as both an earnings-related pension and a national pension. They are usually only available after a long period of illness.

There are three types of pensions that Kela does not pay:

- 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
- care allowance for pensioners
- pensioners' housing allowance.

## Earnings-related pension

Most pensions are earnings-related pensions. You earn your pension with your own paid work.

For business owners, earnings-related pensions come in the form of the self-employed person's pension.

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

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

## Pensions provided by Kela

If you do not receive an earnings-related pension or it is small, Kela will pay a **national pension**. Kela will also pay a **guarantee pension** if your other pensions are really small or you do not have any other pension.

[See page 15 for examples of pensioner incomes.](#)

## 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 EUR 55.54 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 pensions provided by Kela and the earnings-related pensions are subject to tax.

The full amount of the national pension is about EUR 629 per month. If you live with a partner, the corresponding amount is about EUR 557 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**

In addition to your earnings-related pension, other pension payments and compensations are also calculated as income and will decrease the amount of national pension you are due.

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.

If your other pension payments and compensations are higher than the income limits, it is possible that you are not granted a national pension. The income limits refer to gross income before taxes are taken out.

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 and compensations fall below the following income limits:

- if you live with a partner, about EUR 1,158 per month
- if you live alone, about EUR 1,300 per month

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

The Finnish Parliament decides annually if any changes will be made to the amounts of the pensions provided by Kela.

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 from the pension service website [www.tyoelake.fi](http://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.

More information about the amounts of the pensions provided by Kela and the related income limits is available at



[www.kela.fi/pension](http://www.kela.fi/pension)

## Guarantee 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 guarantee pension amounts to EUR 784.52 per month.

If you do not receive any other pension payments, you can get the full guarantee pension.

Family circumstances do not affect the 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 national pensions, earnings-related pensions, spouse's pensions and other pensions.

They are deducted in full from the maximum guarantee pension amount. On the other hand, for instance care allowance, housing allowance, income from work, property or your spouse's or partner's income are not deducted.

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



020 634 0200

## Old-age pension

Old-age pensions are generally claimed when people reach 63.5–68 years of age. 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.

### Example

Kalle and Kaisa are married. They are both retired. Kalle receives an earnings-related pension of EUR 1,200 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 EUR 400 per month and her national pension to about EUR 385 per month. In total, Kaisa receives about EUR 785 per month in pensions. She does not qualify for a guarantee pension.

### Getting an early or late pension

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. You can get an early old-age pension when you are 63 years old.

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 earning-related pension at age 63.5. Her earnings-related pension comes to EUR 700 per month. Additionally, she applies early for a national pension, bringing forward the start of her pension by two years. Her national pension will be 7.2% (approx. EUR 22 per month) smaller than it would be had she taken it out at age 65. Maija lives alone. Her national pension amounts to about EUR 285 per month in addition to her earnings-related 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.

If you are unemployed for a long time and were born before 1958, you may have the right to claim old-age pension at age 62, in which case your pension will not be reduced. Otherwise you will continue to receive unemployment allowance until you are 65. If you have lived or worked abroad, the amount of the old-age pension may be small.

## **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 can get this pension more easily. Persons who are permanently blind or physically disabled always get a disability pension, even if they work.

When you are 65 years old, Kela changes your disability pension to an old-age pension. The disability pension is paid out at the same amount as any other national pension.

[See page 15 for examples of pensioner incomes.](#)

### **A young person gets rehabilitation allowance**

If you have become disabled before you are 15 years old, you can get a disability pension immediately when you are 16 years old.

Normally this is not granted to those under the age of 20, however. First we check to see if you can get vocational rehabilitation.

A personal study and rehabilitation plan is made in your home town or locality. This is made together with your guardian and specialists. The objective of rehabilitation is to help you get into working life.

Instead of a pension, you get a rehabilitation allowance for young persons, which is EUR 31.39 a 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 rehabilitation subsidy is exactly as much as 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 before taxes do not exceed EUR 784.52 per month.

If you work regularly and earn over EUR 784.52 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.

If you have received a care allowance as well as the pension, you will get the highest disability allowance along with your salary, to the amount of EUR 416.91 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 can also pay:

- 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 care allowance, housing allowance, child increase or front-veteran's supplements.

## 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 EUR 21.93 per month for each child. Tax is not taken out of your payments. 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, EUR 158.74 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 a pensioner's housing allowance from Kela if 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 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, or
- 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.

## 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 a partial disability pension, part-time pension or partial early old-age pension. In that case, you can apply to Kela for disability allowance.

The amount of care allowance depends on how difficult the illness or disability is and the costs incurred:

- The basic care allowance is EUR 70.52 per month.
- The increased care allowance is EUR 153.63 per month
- The highest care allowance is EUR 324.85 per month

Kela will pay a **supplementary allowance** of EUR 105.13 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. No tax is deducted from the care allowance.

## 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
- veteran badge

These can no longer be applied for.

These supplements can also be received by persons who have a certificate of taking part in mine-clearing tasks from 1945 to 1952.

The front-veteran's supplement is EUR 49.56 per month.

Tax is not taken out of your payments. 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 highest additional front-veteran's supplement is EUR 239.32 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 when 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 in certain circumstances also receive 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.

To get a spouse's pension, you must have been married to the partner who has died. The partner must have been aged under 65 years when you married.

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 got married before you were 50 years old and your spouse was under 65 years old and
- The marriage lasted at least 5 years.

After the death of a spouse, Kela pays EUR 324.33 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 EUR 101.59 per month.

You get this only if you have a dependent child who is under 18 years old. Almost all your income affects your ability to get the additional amount. The full additional amount is EUR 527.26 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 mother or father dies, Kela pays orphan's pension to the child until s/he is 18 years old. If the child is studying full time, the pension will 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 EUR 59.68 per month. If both parents are dead, the child receives EUR 120 per month.

The child can also get an additional amount which is affected by the other survivors' pension payments s/he may get. The maximum amount of the additional amount is EUR 90.26 per month.

[For more information on the effect of stays abroad on pensions call](#)



**020 634 0200**

## Social assistance is a form of last-resort financial support

You can apply for basic social assistance from Kela if all your earnings and assets and other social security benefits that you have been awarded are not sufficient to cover your necessary everyday living expenses, such as food and housing.



[www.kela.fi/  
social-assistance](http://www.kela.fi/social-assistance)

## Application and payment

Apply for old-age and guarantee pensions and housing allowance for pensioners online:



[www.kela.fi/asiointi](http://www.kela.fi/asiointi)  
(in Finnish) or  
[www.fpa.fi/etjanst](http://www.fpa.fi/etjanst)  
(in Swedish)

See the application for a list of the documents you need to send with it. All supporting documents can also be submitted online.

You can also apply for benefits by filling in an application form that you can get from Kela's website:



[www.kela.fi/forms](http://www.kela.fi/forms)

You can also pick up application forms at Kela's offices.

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

Go to Kela's website to look up the address to which to send the application:



[www.kela.fi/by-mail](http://www.kela.fi/by-mail)

You can also call Kela's customer service and ask for the address.



**Pensions 020 634 2650**  
**Death of a family member**  
**020 634 2650**

Pension applications may be submitted to Kela or to any pension provider.

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.

Applications for disability pension, rehabilitation subsidy, 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.

When your application has been processed, a decision will be sent to your home address. 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 lived or 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 Appendix U.

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



**020 634 2650**

## **Appeal instructions**

You can apply for a change to a Kela decision. There are instructions on how to appeal in the attachment you get from Kela with your decision.

## Payment dates

Kela deposits payments of old-age pension, disability pension, care allowance for pensioners and front-veteran's 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 2019

Examples of a single-resident pensioner’s income and taxes in the Helsinki area. In all examples, the rent for the residence is EUR 680 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	785	0	514	1 299
0	629	156	0	514	1 299
100	607	78	0	514	1 299
200	557	28	0	514	1 299
400	457	0	0	489	1 346
600	357	0	-8	455	1 404
800	257	0	-46	421	1 432
1300	0	0	-142	339	1 497

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

# Kela at your service

## On the internet

Visit Kela's website for more information:



[www.kela.fi/english](http://www.kela.fi/english)

Online assistance:



[www.kela.fi/kysykelasta](http://www.kela.fi/kysykelasta)

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



[www.kela.fi/laskurit](http://www.kela.fi/laskurit)  
(in Finnish) or  
[www.fpa.fi/berakningar](http://www.fpa.fi/berakningar)  
(in Swedish)

Kela's online customer service is a safe and secure channel to manage your Kela affairs. It can be found at



[www.kela.fi/asiointi](http://www.kela.fi/asiointi)  
(in Finnish) or  
[www.fpa.fi/etjanst](http://www.fpa.fi/etjanst)  
(in Swedish)

Sign in to the online service with your own online banking codes or the mobile ID on your phone.

Through Kela's online customer service, you can:

- apply for Kela benefits
- send additional documents

- get information about the status of your application
- report changes
- stop the payment of benefits.

## By phone



**Pensions 020 634 2650**  
**Death of a family member**  
**020 634 2650**  
**Moving to or from Finland**  
**020 634 0200**

Note: Kela's phone numbers will change at the end of 2019.

Check the numbers at [www.kela.fi/phone-numbers](http://www.kela.fi/phone-numbers).

## By contacting a Kela office

Address information for the Kela office nearest to you is available at



[www.kela.fi/offices](http://www.kela.fi/offices)

## By booking an appointment

You can book an appointment for an office visit or for phone service. It's a good idea to book an appointment if there is a big change in your circumstances or you need to discuss a complicated matter. To book an appointment, call our customer service number or go to



[www.kela.fi/appointments](http://www.kela.fi/appointments)

## Do you need an interpreter?

If you need interpreter assistance, contact Kela or see



[www.kela.fi/interpretation](http://www.kela.fi/interpretation)  
for more information.

## Report changes

If you receive a Kela benefit, remember to inform us immediately if there are changes in your circumstances. These can be, for example, changes in your housing or family situation or changes in income.

## Recovery of overpaid benefits

If Kela pays too much in benefits because of incorrect information,

it must ask you to pay back the overpayment.



[www.kela.fi/recovery](http://www.kela.fi/recovery)



**Overpayment Recovery Centre**  
**020 634 4940**

## Appeal instructions

You can apply for a change to a Kela decision. Instructions on how to appeal are provided with each benefit decision. If you have questions, you should first contact Kela.

## Social Security Appeal Board



**0295 163 800**



[www.samu.fi](http://www.samu.fi)

### You are welcome to contact us!

9am to 3pm, Monday to Friday. For information about temporary changes to opening hours, see: [www.kela.fi/phone-numbers](http://www.kela.fi/phone-numbers)

#### **020 634 2550**

Conscripts  
Families with children  
Housing benefits  
Social assistance  
Students  
Unemployment

#### **020 634 2650**

Death of a family member  
Disability  
Kela card, European Health Insurance Card  
Pensioners  
Rehabilitation  
Sickness  
Moving to or from Finland **020 634 0200**

**Note:** The customer service numbers will change in 2019, see [www.kela.fi/phone-numbers](http://www.kela.fi/phone-numbers).

# Kela brochures available in English

Benefits for families with children

General housing allowance

Health and Rehabilitation

Benefits for students and benefits for conscripts

Financial support during unemployment

■ Pensions and Retirement

Moving to or away from Finland

Basic social assistance

The brochures are available at Kela offices and citizen service points.  
Brochures in other languages at **[www.kela.fi/muutkielet](http://www.kela.fi/muutkielet)**