



# OLD-AGED PENSION – A CONCISE GUIDE FOR EMPLOYERS

**Is an employee in your service nearing retirement age and considering retiring? Do you know how to deal with this situation as an employer?**

This concise guide for employers contains information about old-age pension and the proper procedures to be followed when an employee is retiring. Detailed information for employees can be found on our website at [www.elo.fi/retirement](http://www.elo.fi/retirement).

## PROCEDURES TO FOLLOW WHEN AN EMPLOYEE IS RETIRING ON OLD-AGE PENSION

The employer and employee should discuss retirement well in advance of the actual retirement date. You can raise the issue, for example, during a development discussion. Commonly agreed discussion practices create an atmosphere of openness and trust. Openly discussing retirement allows your employee to feel good about making retirement plans. As an employer, you also avoid a situation in which your employee simply retires following the applicable period of notice, thereby leaving you with little time to initiate recruitment plans.

Upon reaching the earliest pensionable age for old-age pension, your employee is free to choose the date of retirement. The employment relationship must have ended in order for an employee to receive old-age pension. Once these requirements have been met, the payment of the old-age pension will begin at the start of the next month.

### Procedures in a nutshell

#### Employer

- Agrees with the employee on the ending date of the employment relationship.
- Reports the final earnings and ending date of the employment to the Incomes Register.

#### Employee

- Gives notice of resignation.
- Applies for pension.

#### Elo

- Provides the employee with a pension decision.





## PENSIONABLE AGE

Each age group has a specific pensionable age, which is determined by the year of birth.

### Pensionable age for old-age pension in the different age classes

YEAR OF BIRTH	LOWEST PENSIONABLE AGE	TARGET PENSIONABLE AGE	HIGHEST AGE FOR MANDATORY TYEL INSURANCE COVERAGE
1954	63 yrs	63 yrs 9 mos.	68 yrs
1955	63 yrs 3 mos.	64 yrs 1 mos.	68 yrs
1956	63 yrs 6 mos.	64 yrs 5 mos.	68 yrs
1957	63 yrs 9 mos.	64 yrs 9 mos.	68 yrs
1958	64 yrs	65 yrs 1 mos.	69 yrs
1959	64 yrs 3 mos.	65 yrs 5 mos.*	69 yrs
1960	64 yrs 6 mos.	65 yrs 9 mos.*	69 yrs
1961	64 yrs 9 mos.	66 yrs 2 mos.*	69 yrs
1962	65 yrs	66 yrs 7 mos.*	70 yrs
1963	65 yrs	66 yrs 8 mos.*	70 yrs
1964	65 yrs	66 yrs 10 mos.*	70 yrs
1965	65 yrs 2 mos.*	67 yrs*	70 yrs*
1966	65 yrs 3 mos.*	67 yrs 2 mos.*	70 yrs*
1967	65 yrs 4 mos.*	67 yrs 4 mos.*	70 yrs*
1968	65 yrs 6 mos.*	67 yrs 6 mos.*	70 yrs*
1969	65 yrs 7 mos.*	67 yrs 8 mos.*	70 yrs*
1970	65 yrs 8 mos.*	67 yrs 9 mos.*	70 yrs*

\*Estimate

### Lowest pensionable age for old-age pension =

The earliest date on which your employee can retire.

**Target pensionable age =** Calculated date on which the amount of your employee's old-age pension would be the same as the old-age pension without the reducing impact of the life expectancy coefficient at the lowest pensionable age.

### Highest age for mandatory TyEL insurance coverage =

Age until which your employee's work must be insured and the maximum age for your employee to accrue pension.

**For example:** Your employee was born on 1 December 1958. The employee can retire, at the earliest, on old-age pension at the age of 64, which will be on 1 January 2023. In order for the pension payments to begin on 1 January 2023, the employee's employment relationship must end no later than on 31 December 2022.

In our Online Service, you can find a list of those employees in your company who have the possibility to retire within the next ten years. The list is found under the Rehabilitation and pensions tab in Elo's Online Service. The list contains the lowest, target and highest pensionable age as well as the dates on which they will be reached by individual employees. You can access this information if your company's primary user of the Online Service has granted you access rights in the Rehabilitation and pensions section. Log in to the service at [www.elo.fi/online-pension-service](http://www.elo.fi/online-pension-service).

## TERMINATION OF THE EMPLOYMENT RELATIONSHIP

The employment contract terminates automatically, without the need to resign or a period of notice, at the end of the month in which your employee reaches the highest age for mandatory TyEL insurance coverage, which is also the highest pensionable age. If your employee retires earlier than this, **the employee must resign with the normal period of notice.** If your employee has unused holiday time, you can discuss with the employee about the option to use the holiday time prior to the end of the employment relationship or to receive it as cash.

It is good to note that if the employer wishes to terminate the employment before the employee reaches the highest pensionable age, the normal grounds for dismissal shall apply. In other words, the fact that the employee has reached the lowest pensionable age cannot be used as grounds for dismissal. On the other hand, if mutually agreed, the employer and employee can continue the employment relationship beyond the employee's highest pensionable age, even though the employment relationship has automatically terminated.

## EMPLOYEE'S APPLICATION FOR PENSION

Your employee should apply for old-age pension approximately two weeks before the intended retirement. Recommend that your employee use Elo's Online Service for this process. Your employees can use the service to apply for old-age pension as well as to do different types of advance calculations of their future pension and to manage their daily pension matters when retired. Log in to the Online Service for private customers at [www.elo.fi/online-pension-service](http://www.elo.fi/online-pension-service).

**“Your employee should apply for old-age pension approximately two weeks before the intended retirement.”**



## THE EMPLOYER REPORTS THE EARNINGS INFORMATION AND ENDING DATE OF THE EMPLOYMENT RELATIONSHIP TO THE INCOMES REGISTER

If your employee is about to retire on old-age pension, report earnings information and ending date of the employment relationship to the Incomes Register. This information is necessary because without the ending date of the employment relationship, old-age pension cannot be granted.

If the employee is paid a final salary/wages after the end of the employment relationship, report the ending date of the employment relationship in the same report with the final salary/wages. If you submit several earnings reports during the first month of retirement, remember to include the ending date of the employment relationship in each report.

Although the ending date of the employment relationship is considered voluntary information in the Incomes Register, we need it to grant an old-age pension.

**“If any of your employees wish to lighten their workload before retiring on old-age pension, partial early old-age pension is one option.”**

## ELO ISSUES THE PENSION DECISION

We will issue a final pension decision to your employee when we have received the pension application as well as the earnings information and ending date of the employment from the Incomes Register.

In connection with the pension decision, your employee will also receive a pension card that provides access to different discounts for pensioners. Upon receipt of the pension decision, the employee must send us a tax card for the payment of the pension.

The pension decision will only be sent to the employee. We cannot give employers any information about applications or decisions concerning old-age pension.

Employers do not accrue any costs for old-age pensions.

## WORKING WHILE RECEIVING OLD-AGE PENSION

An employee’s employment relationship must have ended in order for the employee to receive an old-age pension. While retired, however, the employee can continue to work without any limitations and the work will not affect the pension payments. In other words, you can re-hire your employee, who is receiving an old-age pension, and draw up a new employment contract with new conditions.

The new employment relationship is insurable alongside old-age pension until the employee reaches the highest pensionable age, and this work will accrue additional pension for the employee. Your employee can apply for the payment of this additional pension once they reach their highest pensionable age.

## PENSION IN DIFFERENT LIFE SITUATIONS

Vocational rehabilitation	Disability pension	Career pension	Survivors' pension	Partial early old-age pension	Old-age pension
Supports the ability to cope at work when there is a threat of disability.	When work ability has weakened due to an illness, disability or injury.	Available to an employees aged 63 who has had a long, strenuous career and whose work ability is weakened.	Provides security for the widow(er) and minor children.	Part of the accrued pension can be withdrawn already at age 61 (62 as of 2025).	Available, at the earliest, when the lowest pensionable age is reached.

## ELO ASSISTS IN PENSION MATTERS

### Pension information

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

### Handle your pension matters using Elo's Online Service

[www.elo.fi/login-to-services](http://www.elo.fi/login-to-services)

### By telephone

+358 (0)20 694 726

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