

# Old-age pension – Employer's Guide

**Is your employee approaching retirement age and considering retiring?  
Do you know what it requires from you, as an employer?**

This guide compiles information from the employer's perspective about old-age pension and the actions required when an employee retires. More detailed information for employees can be found at [www.elo.fi/en/pensions](http://www.elo.fi/en/pensions).

## Actions when an employee retires on old-age pension

It is advisable for the employer and the employee to discuss retirement well in advance. You can bring up the subject, for example, during performance reviews or development discussions. Agreed practices for such discussions increase openness and trust. When retirement is discussed openly, the employee can plan their future with peace of mind. As an employer, you can also avoid situations where an employee suddenly retires after the notice period, making personnel planning easier.

An employee may retire flexibly when they choose once they have reached their lowest retirement age. Receiving old-age pension requires that the employment relationship ends. When these conditions are met, the pension can start from the beginning of the following month.

## Summary of actions

### Employer:

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

### Employee:

- **Terminates** their employment relationship
- **Applies** for pension

### Elo

- **Issues** the pension decision to the employee



## Retirement age

The retirement age is determined by the year of birth, and it varies by age group.

### Examples of retirement ages

Syntymä-vuosi	Lowest retirement age	Highest retirement age
1960	64 y 6 m	69 y
1961	64 y 9 m	69 y
1962	65 y	70 y
1963	65 y	70 y
1964	65 y	70 y
1965	65 y*	70 y
1966	65 y 1 m*	70 y

\* Estimate

You can check your employee's retirement age at [www.elo.fi/elakeika](http://www.elo.fi/elakeika).

**Lowest retirement age** = Earliest age at which the employee can retire.

**Upper age limit for insurance obligation** = Age until which work must be insured and during which pension accrues.

Elo's Online Service for Company customers includes a list of your employees who reaches retirement age within the next 10 years. The list includes the lowest, target and highest retirement ages and the dates on which they are reached. You can view the list if you have access to Rehabilitation and pensions tab. You can log in to Company customers' Online Service at [www.elo.fi/online](http://www.elo.fi/online).

## Ending the employment relationship

The employment contract ends automatically at the end of the month in which the employee reaches the upper insurance obligation age (i.e. the highest retirement age). If the employee retires earlier, they must resign according to normal notice periods.

If the employee has unused annual leave, you may agree on whether they take it before the employment ends or whether it is compensated in cash.

If the employer wants to terminate the employment relationship before the employee reaches their highest pension age, normal legal grounds for termination apply. Reaching the lowest pension age is not a legitimate ground for termination. The employer and the employee may also mutually agree to continue the employment even beyond the highest retirement age.

## Employee applies for pension

The employee should apply for old-age pension about two weeks before their pension starts. You can direct the employee to Elo's Online Service for Private customers. There they can apply for pension, make pension estimates and manage all ongoing pension matters. Access to the Online Service: [www.elo.fi/online](http://www.elo.fi/online).

**“Your employee should apply for old-age pension about two weeks before their pension starts.”**

## Employer reports earnings and end date to the Incomes Register

When the employee retires on old-age pension, notify the Incomes Register of both their final earnings and the end date of the employment relationship. Without the end date, Elo cannot grant old-age pension.

If final salary is paid after the employment ends, report the salary and end date on the same filing. If multiple earnings filings are submitted during the first month of pension, the end date must be included in all of them.

Although the end date is technically voluntary in the Incomes Register, it is required for pension processing.

## Elo issues the pension decision

Elo issues the pension decision after receiving the application, the reported final earnings and the employment end date. The employee also receives a pension card, which provides access to various pensioner discounts. The employee must send Elo a tax card for pension when they receive the decision.

Elo can only send the pension decision to the employee, not to the employer.

Old-age pension does not cause costs to the employer.

## Working while receiving old-age pension

The employment relationship must end when retiring on old-age pension. However, during retirement the employee may work without restrictions, and this work does not affect their pension that is already in payment. The retired employee may be rehired with a new contract.

Work performed while receiving old-age pension is insured up to the upper insurance obligation age, and pension continues to accrue up until then. The employee can apply to have this additional accrual paid once they reach the highest retirement age.

## Pension options based on life situation

Vocational rehabilitation	Disability pension	Years-of-service pension	Survivor's pension	Partial old-age pension	Old-age pension
Supports continuing work when work ability is threatened	For those whose work ability is reduced due to illness, defect or injury	For employees with a long, strenuous career and reduced work ability at age of 63	Supports the income of the spouse and children under 20 years of age.	25% or 50% of pension accrual before full old-age pension	Earliest at the lowest retirement age

“If your employee wants to reduce work before applying old-age pension, the partial old-age pension might be an option for them.”