

NB: Unofficial translation, legally binding only in Finnish and Swedish  
The Finnish Centre for Pensions, Finland

## **Employees Pensions Act**

(395/2006; amendments up to 945/2016 included)

Provided according to a decision of Parliament:

### PART I

#### GENERAL PROVISIONS

### **Chapter 1**

#### **Purpose of the Act**

##### Section 1

###### *Purpose of the Act*

This Act provides for the private-sector employee's right to an old-age pension, partial old-age pension, rehabilitation, disability pension, years-of-service pension as well as the employee beneficiary's right to a survivors' pension. (29.1.2016/69)

The employer is obligated to arrange and pay for pension provision for its employees in accordance with this Act for work carried out in Finland, unless otherwise provided herein. The employee is obligated to participate in his or her own pension provision by paying the employee's pension contribution.

The employer may arrange pension provision as provided in this Act with pension insurance companies as referred to in the Pension Insurance Companies Act (354/1997), an industry-wide pension fund as referred to in the Insurance Fund Act (1164/1992), or in a company pension fund as referred to in the Pension Fund Act (1774/1995). The Finnish Centre for Pensions operates as a liaison body for all pension providers. The functions and administration of the Finnish Centre for Pensions are laid down in the Act on the Finnish Centre for Pensions (397/2006).

##### Section 2 (29.1.2016/69)

###### *Key definitions*

For the purposes of this Act:

- 1) pension provider means a pension insurance company, industry-wide pension fund or company pension fund as provided in section 1 subsection 3;
- 2) employment relationship means an employment relationship based on Chapter 1 section 1 of the Employment Contracts Act (55/2001);
- 3) earnings-related pension means a pension according to the acts referred to in section 3;
- 4) unpaid period means a period during which the employee has been paid maternity, special maternity, paternity or parental allowance or sickness allowance, partial sickness allowance or special care allowance, pursuant to the Health Insurance Act (1224/2004), alternation allowance pursuant to the Act on Job Alternation Leave (1305/2002), income-based daily allowance pursuant to the Unemployment Security Act (1290/2002), adult training allowance pursuant to the Act on Adult Training Allowance (1276/2000), rehabilitation allowance pursuant to the Act on Social Insurance Institution of Finland's Rehabilitation Benefits and Rehabilitation Allowance Benefits (566/2005), compensation for loss of earnings pursuant to the Act on Rehabilitation Compensated Based on the Accident Insurance Act (625/1991) or the Act on Rehabilitation Compensated According to the Motor Liability Insurance Act (626/1991), daily allowance pursuant to the Occupational Accidents, Injuries and Diseases Act (459/2015), daily allowance pursuant to the Occupational Accident and Disease Act for Farmers (873/2015) or the Compensation for Military Injuries Act (1211/1990) or daily allowance pursuant to the Motor Liability Insurance Act (279/1959);

- 5) accrued pension means pension that has accrued from earnings, terminated retirement period, unpaid periods as referred to in section 4 and compensation accrued from state funds according to the Act on the Compensation from State Finances of Pension Accrual for Periods of Caring for a Child Aged under Three and for Periods of Study (644/2003);
- 6) primary benefit means a benefit as referred to in sections 92 and 93, paid in full regardless of the amount of earnings-related pension and deducted from the benefits based on this Act;
- 7) EU's social security regulation means Regulation (EC) No 883/2004 of the European Parliament and of the Council on the coordination of social security systems and the EU implementation regulation of the social security means Regulation (EC) No 987/2009 of the European Parliament and of the Council laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems;
- 8) EU and EEA countries mean countries in which the EU's social security regulation or the Council Regulation (EC) No 1408/71 on the application of social security schemes is applied to employed persons, self-employed persons and members of their families moving within the Community;
- 9) third state means a country other than those within the EU and EEA, Switzerland or a state with which Finland has a bilateral social security agreement;
- 10) social security agreement means an international agreement on social security which is binding on Finland;
- 11) theoretical pension means a notional pension, for which work under the earnings-related pension acts and working time spent in EU and EEA countries is calculated as working time according to this Act;
- 12) lowest retirement age means old-age pension determined based on the birth year of the employee as referred to in section 11, subsections 2 and 3.

For the purposes of this Act, pension contingency refers to:

- 1) the last day of the calendar month preceding the start of old-age pension;
- 2) the last day of the calendar month preceding the start of partial old-age pension;
- 3) the beginning of disability according to section 35 subsection 1;
- 4) meeting the requirements for receiving a years-of-service pension according to section 53 a; or
- 5) the death of the person through whom the benefit is derived.

### Section 3 (29.1.2016/69)

#### *Earnings-related pension acts*

Earnings-related pension acts include the earnings-related pension acts for the private and public sectors. In addition to this Act, private-sector earnings-related pension acts include:

- 1) The Seafarer's Pensions Act (1290/2006);
- 2) The Self-Employed Persons' Pensions Act (1272/2006);
- 3) The Farmers' Pensions Act (1280/2006).
- 4) Public sector employees' pension acts include:
- 5) the Public Sector Pensions Act (81/2016);
- 6) the Act on the Orthodox Church (985/2006);
- 7) the provision on pensions laid down in section 11 subsection 2 paragraph 6 of the Act on the Bank of Finland (214/1998);
- 8) the Provincial Administration Act (ÅFS 54/2007) given in the province of Åland for the purpose of applying certain current state rules to state pensions.

## **Chapter 2**

### *Scope of application*

### Section 4 (29.1.2016/69)

#### Employment relationship

The employee is entitled to pension provision as provided in this Act on the basis of his or her employment relationship.

This Act does not apply to employment relationships:

- 1) occurring before the calendar month following the month during which an employee turns 17 years of age;
- 2) occurring after the calendar month during which an employee born in 1957 or prior turns 68 years of age, an employee born 1958-1961 turns 69 years of age, and an employee born in 1962 and after turns 70 years of age (the upper age limit of the insurance obligation);
- 3) based on which the employee is entitled to a pension in accordance with another earnings-related pension act as referred to in section 3; or
- 4) where the employee is working as a crewmember on a Finnish ship listed in the catalogue of merchant vessels according to the Act on Enhancing the Competitiveness of Ships engaged in Sea Transport (1277/2007).

This Act does not apply to:

- 1) an employee to whom the employer pays less than a total of EUR 41.89 per calendar month in earnings as referred to in this Act;
- 2) an employee who is not subject to Finnish legislation based on the provisions of EU's social security regulation or a social security agreement;
- 3) an employee whose foreign employer has posted him or her to work in Finland, and whose work in Finland in the service of said employer lasts for a maximum of two years.

However, if Finnish legislation is applied to the employee referred to in section 3 subsection 3 based on the provisions regarding the applicable legislation of the EU's social security regulation or of a social security agreement, or if the employee is covered by Finnish social security legislation immediately prior to the start of the work in Finland, this Act will be applied.

In addition to the regulations of subsection 3 paragraph 3, this Act will be applied to an employee coming from a third state to work temporarily in Finland in connection with an internal transfer within the company, unless the employer has arranged social security for said employee.

This Act is not applied to an employee who comes to Finland to work from a third state, if:

- 1) the work in question takes place within transport on land, which the employee mainly does elsewhere than in Finland;
- 2) the employee does not reside in Finland;
- 3) the domicile of the employer is elsewhere than in Finland; and
- 4) Finnish legislation based on the EU's social security regulation or legislation based on a social security agreement is not applied.

## Section 5

### *Working abroad*

This Act applies to an employee working abroad who is subject to Finnish legislation on the basis of provisions governing the applicable legislation of the EU's social security regulation or a social security agreement, provided that the other preconditions for the scope of application for this Act are otherwise met. (14.5.2010/354)

This Act also applies to other employees sent by a Finnish employer to a country where the EU's social security regulation or a social security agreement are not applied, provided that: (14.5.2010/354)

- 1) the employee works either in the service of the posting Finnish employer or in the service of a foreign company that belongs to the same financial entity as the Finnish employer;
- 2) the employee's employment relationship with the posting Finnish company continues for the duration of the posting abroad; and
- 3) the employee is covered by Finnish social security legislation when going abroad to work.

In addition to what has been provided above in subsections 1 and 2, this Act also applies to other employees working abroad that the Finnish employer insures on the basis of section 150 subsections 2,3 and 5 of this Act.

On application, the Finnish Centre for Pensions may exempt the employer from the insurance obligation laid down in this Act for situations referred to in subsection 2, as provided in section 150 subsection 1.

## Section 6

### *Exempting a foreign employer from the insurance obligation*

On application, the Finnish Centre for Pensions may exempt a foreign employer from the insurance obligation as provided in section 149 of this Act.

### Section 7 (21.12.2010/1192)

#### *Person in a senior position*

A person in a senior position in a limited company or in another type of corporation is equated with the employee referred to in section 4 above even if he/she is not in an employment relationship with the limited company or corporation, except if:

- 1) the employee in a senior position in a limited company owns alone no more than 30 per cent of the company's share capital; or, together with family members, no more than 50 per cent of the company's share capital, of which alone no more than 30 per cent; or, together with family members, owns no more than 50 per cent of the voting rights based on the shares, of which alone no more than 30 per cent; or
- 2) the person in a senior position in another corporation alone, or together with family members, possesses no more than the corresponding authority in the association as referred to in paragraph 1.

A person in a senior position and a family member means the same as what is regulated on person in a senior position and a family member in Section 3 subsections 4 and 5 of the Self-employed Persons' Pensions Act and Section 5 subsection 2 of the Farmers' Pensions Act. When counting the share of ownership and voting authority, the regulations on indirect ownership and authority in a limited company or other corporation as stipulated in section 3 subsections 6 and 7 of the Self-employed Persons' Pensions Act and section 5 subsection 3 of the Farmers' Pensions Act are also applied.

A partner in an unlimited partnership or a partner in another corporation or consortium who is personally responsible for the obligations and commitments of the organization or group is not considered equal to an employee as referred to in section 4.

### Section 8

#### *Person in position of trust*

This Act applies to persons in a position of trust, if the company governed by private law or corporation paying his or her fees also insures him or her for this position in accordance with this Act.

A position of trust is considered to be:

- 1) a position to which a person has been elected for a set period of time, or until further notice, with the purpose of representing a certain community, group of people or expertise; and
- 2) in which he or she does not have an employment relationship or a public-service employment relationship, or operates as a self-employed person as referred to in the pension acts.

(22.12.2006/1274)

Everything provided in this Act regarding employees also applies to persons in positions of trust. The provisions of this Act on employment relationships also apply to positions of trust. Fees received for holding a position of trust correspond to earnings received from an employment relationship. A pension based on a position of trust corresponds to a pension based on an employment relationship.

### Section 9 (29.10.2010/909)

#### *Insurance for athletes*

This Act is not applied to sporting activities. Pension provision for athletes is provided in the Act on Accident and Pension Provision for Athletes 276/2009.

### Section 10 (22.12.2011/1456)

#### *Decision regarding the scope of application of this Act*

In case of unclarity regarding whether this Act is to be applied to work, the Finnish Centre for Pensions decides on the basis of an application of the party ordering the work, the employee, the person carrying out the work or the pension provider.

## PART II

### PROVISIONS ON PENSIONS AND REHABILITATION AND THEIR IMPLEMENTATION

#### Chapter 3

#### Pension and rehabilitation benefits

#### Old-age pension

##### Section 11 (29.1.2016/69)

##### *Right to an old-age pension*

Employees are entitled to retire on an old-age pension from the beginning of the month following the birthday marking the earliest eligibility age for old-age pension.

The earliest eligibility age for old-age pension of an employee is determined according to the birth year as follows:

- 1) for those born in 1954 and prior, 63 years
- 2) for those born in 1955, 63 years and 3 months
- 3) for those born in 1956, 63 years and 6 months
- 4) for those born in 1957, 63 years and 9 months
- 5) for those born in 1958, 64 years
- 6) for those born in 1959, 64 years and 3 months
- 7) for those born in 1960, 64 years and 6 months
- 8) for those born in 1961, 64 years and 9 months
- 9) for those born in 1962-1964, 65 years.

The earliest eligibility age for old-age pension of an employee born in 1965 and later is adjusted for the change in life expectancy according to sections 82 and 83, and the retirement is confirmed by way of a decree of the Ministry of Social Affairs and Health issued for the year during which the employee turns 62.

The prerequisite for granting an old-age pension is that the employee is no longer in the employment relationship from which he or she is retiring. Notwithstanding the provisions in section 8 subsection 3 and in this subsection above, that the insured continues in a position of trust does not prevent the granting of old-age pension accrued on the basis of previously terminated employment relationships. If the employee retires on an old-age pension at a reduced retirement age pursuant to the Seafarer's Pensions Act that occurs prior to the lowest eligible retirement age pursuant to this Act, he or she has the right to retire on an old-age pension according to this Act at the retirement age provided in the Seafarer's Pensions Act. In this case, the amount of pension provided in this Act is converted actuarially to correspond to the effective retirement age of the employee. More detailed provisions on converting the pension amount and coefficient tables used in the conversion process are provided in a decree of the Ministry of Social Affairs and Health.

##### Section 12 (29.1.2016/69)

##### *Mount of old-age pension*

If the old-age pension commences at the beginning of the calendar month following the birthday marking the lowest eligible retirement age, the amount of old-age pension constitutes the amount of pension accrued by the time of pension contingency.

If the old-age pension commences later than at the beginning of the calendar month following the birthday marking the lowest eligible retirement age, the pension is increased by 0.4 per cent for each calendar month the pension is deferred beyond said month (increment for deferred retirement).

Employees are not entitled to receive an increment for deferred retirement for periods of time during which they have received unemployment allowance.

### Section 13 (29.1.2016/69)

#### *Start of the old-age pension*

The old-age pension starts from the calendar month following the month during which the employee has reached the earliest eligibility age for old-age pension and has finished the work on the basis of which he or she is applying for old-age pension. Old-age pension may be granted retroactively, although, unless a valid reason exists, for no more than three months preceding the pension application month.

If the employee continues working past the upper limit of the insurance obligation, the old-age pension is granted from the beginning of the calendar month following the month the pension is applied for.

Pension accrued on earnings from an employment relationship that started during old-age retirement is granted on application, at the earliest from the beginning of the calendar month following the employee reaching the upper age limit of the insurance obligation.

If the employee has received partial old-age pension, the old-age pension will start from the beginning of the calendar month following the month in which the employee has met the preconditions regulated in section 11 and finished his or her primary work insured according to the earnings-related pension acts.

### Section 14 (29.1.2016/69)

#### *Discontinuance of the old-age pension*

The employee may apply for a discontinuation of an old-age pension if he or she has been granted a cash rehabilitation benefit based on a temporary disability which, when the cash rehabilitation benefit was granted, is expected to continue past the employee's earliest eligibility age for old-age pension. The discontinuation of the old-age pension shall be applied for within one month of the end of the estimated disability period, and the old-age pension is discontinued at the end of the disability period.

Partial old-age pension

### Section 15 (29.1.2016/69)

#### *Right to partial old-age pension*

The employee has the right to retire on a partial old-age pension from the beginning of the month following the month of the birthday marking the earliest eligibility age, determined according to the birth year.

The lower age limit entitling to partial old-age pension is determined as follows:

- 1) for those born in 1963 and prior, 61 years;
- 2) for those born in 1964, 62 years;
- 3) for those born in 1965 and later, the lower age limit of the partial old-age pension is adapted to changes in life expectancy according to sections 82 and 83.

The employee is not entitled to partial old-age pension if he or she, at the start of the pension, is receiving other work-based benefits according to the earnings-related pension acts, or support according to the Act on the Relinquishment of Farming (612/2006) or early retirement aid based on the Act on Farmers' Early Retirement Aid (1293/1994).

### Section 16 (29.1.2016/69)

#### *Amount of the partial old-age pension*

The basis for the partial old-age pension is the pension earned according to earnings-related pension acts by the end of the calendar year preceding the start of pension. The pension share according to this Act is either 25 or 50 per cent, according to the employee's application, of the pension forming the basis for old-age pension according to this Act.

The pension share of the partial old-age pension will be permanently reduced by 0.4 per cent for each month this pension share is taken early, calculated up until the calendar month following the birthday on which the employee reaches the lower old-age retirement age (reduction for retirement taken early).

The pension share of partial old-age pension is raised permanently by 0.4 per cent for each month the start of this pension share is delayed beyond the calendar month following the employee reaching the lower old-age retirement age (increment for deferred retirement).

If the partial old-age pension has been granted as a share of 25 per cent and the employee applies for the other 25 per cent to also be granted, the latter share is calculated based on the same pension forming the basis of the partial old-age pension referred to in subsection 1 as the share first granted. If a reduction for retirement taken early or an increment for deferred retirement is calculated on the latter share, it is calculated based on the start date of the latter share.

#### Section 17 (29.1.2016/69)

##### *Start of the partial old-age pension*

The partial old-age pension begins from the calendar month following pension application, or at a later time requested by the applicant. Partial old-age pension cannot be granted retroactively.

The partial old-age pension, as well as a latter 25 per cent share granted later, must begin at the same time for all earnings-related pension acts.

The pension recipient may, per application, cancel the partial old-age pension within three months of it having been granted. The pension provider removes the decision regarding the cancelled pension. Section 126 regulates the recovery of pension unduly paid.

#### Section 18 (29.1.2016/69)

##### *The old-age pension amount following partial old-age pension*

The partial old-age pension is converted into an old-age pension when the employee is granted old-age pension. The old-age pension is then calculated as consisting of the following parts:

- 1) partial old-age pension;
- 2) a pension share earned by the end of the year preceding the start of partial old-age pension but not yet granted; and
- 3) pension earned based on employment contracts valid during the year the partial old-age pension started and ending by the start of old-age pension.

Notwithstanding what is regulated in section 11, if an employee is granted old-age pension based on another private-sector earnings-related pension act or public-sector pension act following the partial old-age pension, the employee is granted the share of pension earned according to this Act by the end of the year preceding the start of partial old-age pension and which has not yet been granted.

If the old-age pension starts later than from the beginning of the calendar month following the employee reaching the lower retirement age, an increment for deferred retirement as regulated in section 12 will be added to the pension share referred to in subsection 1 paragraph 2 and the pension earned from the starting year of partial old-age pension and up until the beginning of the first old-age pension payment.

#### Section 19 (29.1.2016/69)

##### *Disability pension amount following partial old-age pension*

If an employee who is receiving partial old-age pension becomes incapacitated to work to an extent entitling to disability pension, the disability pension amount will be calculated from pension shares referred to in section 18, subsection 1 paragraphs 1 and 2: pension earned during the first year of partial old-age pension and until the end of the year preceding the start of disability, as well as a component for pensionable service.\*

Should the disability pension stop at a later time, its payment be interrupted or left dormant in accordance with the Act on the Promotion of a Return to Work for Disability Pensioners (738/2009), the partial old-age pension will continue to be paid to the amount approved earlier.

#### Section 20 (29.1.2016/69)

##### *Amount of the years-of-service pension following partial old-age pension*

Following partial old-age pension, the amount of years-of-service pension is calculated based on pension shares referred to in section 18 subsection 1 paragraph 2, as well as from the pension earned during the first year of partial old-age pension and up until the end of the month preceding the start of years-of-service pension.

If the years-of-service pension is later left dormant in accordance with section 53 f, the partial old-age pension continues to be paid at the amount approved earlier.

#### Section 21 (29.1.2016/69)

##### *Disability pension, years-of-service pension and old-age pension following partial old-age pension*

If an employee receiving partial old-age pension is also granted a disability pension, years-of-service pension or old-age pension for a time period for which partial old-age pension has already been paid, the partial old-age pension is taken into account as a part payment of other pension granted.

Sections 22 - 24 have been revoked by an act 29.1.2016/69  
Rehabilitation within the earnings-related pension scheme

#### Section 25

##### *Right to rehabilitation within the earnings-related pension scheme*

An employee who has not yet reached the earliest eligibility age for old-age pension is entitled to receive appropriate vocational rehabilitation for preventing disability or improving working or earning capacity, if:

- 1) an appropriately diagnosed illness, handicap or injury is likely to lead to the threat of disability in the manner referred to in section 35 subsection 1;
- 2) the employee has insured earnings from work to a minimum amount of EUR 25,133.40 during the reference period referred to in section 76, and
- 3) the employee is not entitled to rehabilitation according to rules on rehabilitation pursuant to accident insurance or motor liability insurance.(29.1.2016/69)

When evaluating the purposefulness of rehabilitation, factors that are taken into account are the employee's age, profession, previous activity, education and training, stabilised participation in the labour market as well as whether the vocational rehabilitation applied for is likely to lead to the employee continuing in work suited to his or her state of health or returning to work. Additionally, when evaluating the appropriateness of rehabilitation, another issue taken into account is whether vocational rehabilitation would serve to postpone the retirement of the employee.

Threat of disability means a situation where it is likely that the employee would be granted a full or part-time disability pension in a few years' time without vocational rehabilitation, despite taking into account the possibilities of implementing treatment and medical rehabilitation.

The reference period for projected pensionable service referred to above in subsection 1 paragraph 2 is determined so as to assume that the employee has become unable to work as the rehabilitation application becomes pending. (7.12.2007/1164)

What is provided in subsection 1 is also applied to the rehabilitation of an employee who is unable to work as defined in section 35 subsection 1. In that case, the earnings referred to in subsection 1 paragraph 2 are determined in the same manner as the earnings for the projected pensionable service in the person's disability pension. (7.12.2007/1164)

#### Section 26

##### *Content of vocational rehabilitation and the rehabilitation plan*

Vocational rehabilitation means a work trial, preparation for work, training leading to work or a profession, and support for starting or continuing a business activity. The employee may be compensated for necessary and unavoidable costs resulting from professional rehabilitation.

Prior to the start of vocational rehabilitation, the employee shall have a vocational rehabilitation plan (rehabilitation plan), the preparation of which may be supported by the pension provider.

#### Section 27

##### *Preliminary ruling on the right to earnings-related pension rehabilitation*

The employee is entitled to receive a preliminary ruling on whether the requirements for receiving earnings-related pension rehabilitation are satisfied. The preliminary ruling is binding for the pension provider if the employee submits a rehabilitation plan to the pension provider within nine months of the preliminary ruling becoming legally valid.

#### Section 28

##### *Rehabilitation allowance*

The employee is entitled to receive rehabilitation allowance for the calendar months during which he/she has been fully or partly prevented from carrying out gainful employment due to vocational rehabilitation. The amount of rehabilitation allowance is as great as the total amount of earnings-related pensions increased by 33 per cent, to which the employee would be entitled had he or she been declared incapable of work and thus entitled to a full disability pension when the rehabilitation application becomes pending.

If the employee has gone on sick leave while in an employment relationship, and the need for rehabilitation existed at the start of the sick leave, the rehabilitation allowance still amounts to the total amount of earnings-related pensions increased by 33 per cent, to which the employee would be entitled if he or she had become incapable of work in a manner giving entitlement to a full disability pension at the start of the sick leave.

#### Section 29

##### *Partial rehabilitation allowance*

If the employee earns more than half of the stabilised earnings during professional rehabilitation, the amount of rehabilitation allowance will be half of the rehabilitation allowance referred to in section 28.

#### Section 30

##### *Rehabilitation increment for disability pension recipients*

If the employee receives a disability pension in accordance with section 35, he or she is not entitled to rehabilitation allowance as defined in section 28. Recipients of a disability pension are paid a rehabilitation increment in addition to the disability pension for the duration of the vocational rehabilitation. The rehabilitation increment constitutes 33 per cent of the amount of the disability pension.

Partial disability pension can be paid as a full pension for the duration of the vocational rehabilitation, thus increased as provided in subsection 1.

#### Section 31

##### *Rehabilitation assistance*

Rehabilitation allowance may be granted to the employee in the form of discretionary rehabilitation assistance the size of the disability pension for the period between the rehabilitation decision being issued and the rehabilitation starting, as well as for the period between periods of rehabilitation. Discretionary rehabilitation assistance may be also granted for the purpose of preparing a rehabilitation plan as referred to in section 26 paragraph 2.

The rehabilitation assistance is paid for a maximum of three months per calendar year, calculated separately for the period between the rehabilitation decision being issued and the start of rehabilitation, and for the time period between rehabilitation periods. Rehabilitation assistance can also be paid for a longer period of time, if this is considered justifiable in order to secure the rehabilitation.

## Section 32

### *Discontinuing the rehabilitation allowance and rehabilitation increment of a person receiving a disability pension*

The rehabilitation allowance or rehabilitation increment paid to a person receiving a disability pension may be discontinued if the recipient refuses vocational rehabilitation or stops the vocational rehabilitation without due cause.

The employee is not entitled, without due cause, to a disability pension before his or her right to rehabilitation allowance pursuant to the employment pension acts or the Act on the Social Insurance Institution of Finland's Rehabilitation Benefits and Rehabilitation Allowance Benefits has ended.

## Section 33

### *Pension provider's obligation to report*

The pension provider shall report all its decisions regarding vocational rehabilitation and rehabilitation allowance and increases to the Social Insurance Institution of Finland.

## Section 34 (29.1.2016/69)

### *Other provisions concerning rehabilitation*

The provisions of this Act on applying for a disability pension, determining the pension on previous grounds, the lump sum increase, the consideration of changes in salary and price levels, the deduction of primary benefits, the pension providers' right of recourse, payment, reviewing the disability pension and changing its amount, the disability pension granted following partial old-age pension, the increase for delay, recovery, the provision and receipt of information, appealing, and the notification obligation of the disability pension recipient apply to the rehabilitation allowance, rehabilitation increment and their recipient, unless otherwise provided in this Act. Compensation for the costs of vocational rehabilitation paid without grounds may be recovered in accordance with the provisions in this Act regarding the recovery of pension paid without grounds.

The rehabilitation allowance and increment may also be paid for a period shorter than one month. The period of sickness allowance taking precedence over the disability pension pursuant to the Health Insurance Act does not affect the beginning of the rehabilitation allowance. Pension is not accrued during the period of rehabilitation allowance pursuant to section 68, and rehabilitation benefits are not used as a basis for the survivors' pension.

## Disability pension

## Section 35

### *The right to a disability pension*

An employee is entitled to a disability pension if his or her working capacity is estimated to have decreased by at least two-fifths as a result of an illness, handicap or injury, during an uninterrupted period of at least one year. The disability pension is granted as a full pension if the working capacity of the employee has been weakened by at least three-fifths. In other cases, the disability pension is granted as a partial disability pension.

When evaluating the decrease in working capacity, the employee's remaining ability to acquire earnings by means of available work that the employee can reasonably be expected to do is taken into account. Other factors considered include the employee's formal training, previous activities, age, residence and other comparable issues. If the working capacity varies, the employee's annual earnings are taken into account.

In addition to the provisions of subsection 2, the vocational nature of the disability is taken into account when evaluating the entitlement to a disability pension of an employee who has turned 60 years of age.

## Section 36 (7.11.2014/882)

### *Investigating rehabilitation possibilities*

Before the pension provider issues a disability pension decision, it shall investigate whether the employee is entitled to rehabilitation as referred to in Section 25 and ensure that the employee's possibilities of rehabilitation under other legislation have been investigated. If the employee is entitled to rehabilitation under Section 25, the pension provider will issue a preliminary ruling of the right to rehabilitation under Section 27.

## Section 37 (29.1.2016/69)

### *Disability pension on the basis of pension granted pursuant to the Public Sector Pensions Act*

The employee is entitled to receive a disability pension under this Act if he or she has been granted a disability pension pursuant to section 33 subsection 1 paragraph 2 of the Public Sector Pensions Act. The employee is also entitled to a disability pension according to this Act if he or she has been granted a disability pension on the basis of a public-service employment relationship on the grounds of disability that started during the employment relationship pursuant to section 33 subsection 1 paragraph 1 of the Public Sector Pensions Act, and the pension accrued based on private-sector pensions acts amounts to at most EUR 688.02 per month.

## Section 38

### *The amount of disability pension*

The amount of a full disability pension is the total amount of the pension accrued by the end of the year preceding the pension contingency and the projected pension according to section 66. A partial disability pension amounts to half of the full disability pension.

## Section 39

### *Preliminary ruling on the right to a partial disability pension*

The employee is entitled to receive a preliminary ruling on whether he or she meets the preconditions for receiving a partial disability pension as referred to in section 35 subsection 1. The preliminary ruling is given by the pension provider competent to decide on the pension application should the employee apply for a pension rather than a preliminary ruling.

The preliminary ruling is binding on the pension provider if the pension application on which it is based is made within nine months of the preliminary ruling becoming valid, or within a longer period of time as agreed between the employee and his or her employer.

## Section 40

### *Pension provider's medical expert*

A certified medical doctor shall take part in the preparation of cases that include disability and rehabilitation issues as well as other medical issues, and record his or her justified assessment in the documents. The pension provider's medical expert can record his or her assessment in the documents without adhering to the formalities regarding medico legal certificates and statements as provided in section 23 of the Act on Healthcare Professionals (559/1994).

## Section 41

### *Commencement of a full disability pension*

A full disability pension may start at the earliest at the beginning of the month following the end of the period of sickness allowance preceding payment of the disability pension as referred to in Chapter 12 section 3 of the Health Insurance Act.

However, a full disability pension begins at the start of the month following the onset of the disability, if:

- 1) the pension application has been made before the Social Insurance Institution of Finland has confirmed the primary period of sickness allowance and an allowance paid for an uninterrupted period of at least one month for the period following the onset of disability has not been granted by the end of the second calendar month following the submission of the application;
- 2) the allowance application for the period following the onset of the disability has been rejected, and the employee has not been granted an allowance to be paid for an uninterrupted period of at least one month for the period following the rejection of the application; or
- 3) the disability commences after the termination of the primary period of sickness allowance and the employee has been granted a sickness allowance according to Chapter 8 section 9 subsection 5 of the Health Insurance Act for the period subsequent to the onset of the disability.

(21.12.2010/1248)

If the employee is entitled to receive a benefit paid from abroad that corresponds to the allowance pursuant to the Health Insurance Act, it will be taken into account when establishing the starting date of the disability pension, in the same way as when establishing the allowance pursuant to the Health Insurance Act; however, for no longer than up to the end of the maximum payment time under the Health Insurance Act.

#### Section 42

##### *Commencement of a partial disability pension*

A partial disability pension starts at the beginning of the month following the pension contingency.

#### Section 43

##### *Retroactive payment of a disability pension*

Without good cause, a disability pension is not paid out retroactively for a period longer than six months prior to the pension application month.

If a disability pension is granted retroactively, it will not be paid for the period during which the employee has received a rehabilitation allowance pursuant to the earnings-related pension acts or the Act on the Social Insurance Institution of Finland's Rehabilitation Benefits and Rehabilitation Allowance Benefits or the Occupational Accidents, Injuries and Diseases Act or the Occupational Accident and Disease Act for Farmers, or compensation for loss of earnings pursuant to the Act on Compensatory Rehabilitation on the Basis of the Motor Liability Insurance Act. (7.8.2015/874)

If disability pension is granted retroactively as a partial disability pension or a full disability pension pursuant to section 41 subsection 2, and an allowance or partial sickness allowance pursuant to the Health Insurance Act has been paid for the same period, disability pension to an amount that exceeds the allowance amount is paid out for this period. (22.12.2006/1274)

#### Section 44

##### *Duration of the disability pension*

The disability pension is granted until further notice or for a set time as a cash rehabilitation benefit. If the working capacity of the employee has decreased over a period of time comprising at least one year, he or she is entitled to receive a cash rehabilitation benefit in order to restore working capacity for as long a period of time as he or she is estimated to remain disabled as specified in this Act. When granting the cash rehabilitation benefit, the pension provider shall ensure that a treatment or rehabilitation plan has been drawn up for the employee. A cash rehabilitation benefit may also be granted to a disabled employee while the preparation of a treatment or rehabilitation plan is underway.

#### Section 45

##### *Disability pension recipient's obligation to inform*

The recipient of a disability pension is obligated to inform the pension provider of the return of his or her working capacity, the return to gainful employment and the discontinuation of the rehabilitation.

#### Section 46

##### *Clarification of continued disability*

If the pension provider has good reason to assume that the pension recipient's working capacity has returned, the pension recipient is obligated, on the order of the pension provider, to submit to a medical examination by a certified medical expert named by the pension provider or by a rehabilitation or research facility named by the pension provider in order to clarify whether the disability is continuing. The pension provider is obligated to compensate any reasonable costs and travel expenses arising from the examination.

#### Section 47

##### *Reviewing the right to a disability pension*

If the working capacity of the recipient of the disability pension changes, his or her right to receive the disability pension is reviewed based on his or her own application or at the initiative of the pension provider.

When evaluating changes in, or the return of working capacity of a disability pension recipient, the changes that have occurred in the employee's earnings are taken into account. The employee is not entitled to a full disability pension during a period when his or her earnings exceed the established average earnings of the period preceding the disability by more than 40 per cent, or during partial disability pension periods when his or her earnings exceed 60 per cent of the aforementioned average earnings.

#### Section 48

##### *Changing the amount of disability pension*

If the working capacity of an employee receiving a full disability pension changes so that he or she is entitled to a partial disability pension, and the change is expected to last for at least a year, the full disability pension is changed into a partial disability pension from the beginning of the following month. If the working capacity of an employee receiving a partial disability pension changes so that he or she is entitled to a full disability pension, and the change is expected to last for at least a year, the partial disability pension is changed into a full disability pension. The full disability pension starts pursuant to the provisions of section 41. The partial disability pension is paid until the full disability pension starts.

#### Section 49

##### *Discontinuing a disability pension*

If the working capacity of the disability pension recipient returns to such an extent that he or she no longer meets the preconditions for receiving the pension, the disability pension is discontinued from the beginning of the next calendar month following the return of his or her working capacity.

If the disability pension is discontinued or the cash rehabilitation benefit ends, the pension may be continued for a period of time even shorter than one year in the form of a cash rehabilitation benefit the size of a partial disability pension for the purpose of supporting a return to work.

#### Section 50

##### *Suspending payment of a disability pension*

The payment of disability pension may be suspended if the pension recipient:

- 1) is in gainful employment and the earnings received temporarily exceed 60 per cent of the stabilised average earnings of the period preceding the disability;
- 2) does not agree to submit to an examination ordered by the pension provider in accordance with section 46. This does not apply, however, if there is an acceptable reason;

- 3) does not submit the results of the examination referred to in section 46 to the pension provider within a reasonable time frame; or
- 4) refuses the rehabilitation or training arranged by the pension provider without good cause.

Section 51 (22.12.2011/1427)

*Retroactive adjustment of a disability pension*

The pension may be discontinued or adjusted, or the payment may be suspended retroactively for a maximum of two years. This period of two years is calculated from the beginning of the calendar month following the pension recipient's application for an adjustment or the adjustment measures taken by the pension provider. If payment of the disability pension has been suspended, the pension is adjusted or discontinued from the date it was suspended.

Section 52 (29.1.2016/69)

*Converting a disability pension into an old-age pension*

A full disability pension is converted into an old-age pension, and a partial disability pension into an old-age pension corresponding to a full disability pension from the beginning of the month following the month during which the pension recipient reaches the lower retirement age.

Upon application and when the disability pension changes into an old-age pension according to subsection 1, the employee is entitled to a pension accrued based on work carried out during the period of the disability pension. The precondition is that the employee is no longer in the employment relationship that he or she is going to retire from. If the employee works during a period of receiving disability pension under other than this Act, or after the termination of a disability pension received under this or another earnings-related pension act, the employee is entitled to pension accrued based on this work when he or she is granted an old-age pension. The employee is also entitled to pension accrued for work done during a period of receiving the aforementioned disability pension, if he or she, after the termination of a previous disability pension, is granted a new disability pension to which that stated in section 80 subsection 2 on pension determined based on previous grounds is not applied.

Instead of a disability pension, the pension is calculated and granted as an old-age pension from the beginning of the month after the lowest retirement age has been reached, if:

- 1) the employee has reached the lower retirement age before the end of the primary period as referred to in section 3 of Chapter 12 of the Health Insurance Act; or
- 2) the primary period is not confirmed for the employee according to section 3 paragraph 2 of Chapter 12 of the Health Insurance Act, since the employee has reached the lower retirement age.

Section 53 (19.12.2014/1230)

*Guidance on rehabilitation*

If the application for the disability pension or rehabilitation within the earnings-related pension scheme is rejected, the pension provider shall ensure that the employee is informed of other rehabilitation possibilities and that he or she is guided towards other rehabilitation that meets his or her needs, or to other services, in co-operation with the parties arranging them.

Years-of-service pension

Section 53 a (29.1.2016/69)

*Right to years-of-service pension*

After reaching the age of 63, the employee is entitled to receive years-of-service pension if:

- 1) he or she has carried out work insured under the earnings-related pension acts for at least 38 years that meets the criteria for straining and wearying work referred to in section 53 b;
- 2) his or her working capacity is diminished due to illness, injury or disability; however, to a lesser extent than required in order for disability pension to be granted as referred to in section 35;

- 3) his or her possibilities of continuing to work have been permanently diminished due to reasons listed in sections 1 and 2; and
- 4) the work referred to in section 1 as taking place at the time the lower eligibility age for years-of-service pension is reached or after, once the pension application becomes pending, continues; or at most a year has passed since the work ended.

The working time referred to in section 1 subsection 1 above also includes periods of maternity, paternity and parental allowance for a period of at most three years. The time referred to in section 1 subsection 1 above also includes shorter periods of absence during work due to illness or layoffs, as well as temporary unemployment.

Work insured according to earnings-related pension acts as referred to above in subsection 1 paragraph 1 is equated with work defined in section 53 b as causing strain and wear in another EU or EEA country and countries with which Finland has bilateral social security agreements.

#### Section 53 b (29.1.2016/69)

##### *Work causing strain and wear*

When evaluating the strain and wear of the employee's work as referred to in section 53 subsection 1 paragraph 1, the requirement is that the work has comprised one or several of the following factors to a significant degree:

working movements that require a lot of muscular strength or prolonged muscle strain;  
especially strong strain on the respiratory and circulatory systems;  
working positions that are strenuous and difficult;  
repetitive working movements that require strength or great speed, or working movements that simultaneously comprise hand-gripping, turning and strength;  
interactive work that causes especially demanding and exceptional mental strain; or  
work in an assignment that calls for constant vigilance or extreme caution, with a heightened risk of fatal or near-fatal accidents or an evident risk of violence.

When evaluating whether the work contains any or several of the factors listed in subsection 1, factors that increase strain and wear are included, such as: exceptional physical factors, the use of protective equipment that increase strain, shift work that regularly involves night work or otherwise strenuous shift work, as well as regular long work shifts.

The strain and wear of the work is evaluated based on the combined effect of factors listed in subsections 1 and 2.

#### Section 53 c (29.1.2016/69)

##### *Amount of the years-of-service pension*

The amount of the year-of-service pension is the pension earned by the end of the month preceding the start of the years-of-service pension.

#### Section 53 d (29.1.2016/69)

##### *Start of the years-of-service pension*

The years-of-service pension begins from the start of the calendar month following the calendar month during which the employee meets the conditions stipulated in section 53 a, however no sooner than from the beginning of the month following the month of application.

The years-of-service pension is granted until further notice.

#### Section 53 e (29.1.2016/69)

##### *Preliminary decision on the right to receive a years-of-service pension*

The employee has the right to receive a preliminary decision on whether he or she meets the preconditions for receiving a years-of-service pension, as listed in section 53 a. The preliminary decision is issued

by the pension provider that would be competent to issue a decision on the pension application, should the employee apply for pension rather than a preliminary decision.

A preliminary decision on the years-of-service pension is binding for the pension provider if a pension application based on said decision is submitted within six months, or a longer period of time agreed between the employee and employer, after the preliminary decision has become legally binding. The preliminary decision may, however, be binding only until the lower old-age retirement age has been reached.

Section 53 f (29.1.2016/69)

*Leaving the years-of-service pension dormant*

If the earnings of the years-of-service pension recipient exceed the fixed earnings limit regulated in section 3 of the Act on the Promotion of a Return to Work of Disability Pensioners, the years-of-service pension may be left dormant provided that the regulations of section 4 subsections 1 and 2, section 6 subsections 1 and 2 and sections 7-10 of the aforementioned Act are adhered to.

Section 53 g (29.1.2016/69)

*Retroactive adjustment of the years-of-service pension*

The years-of-service pension may be left retroactively dormant for at most two years. This period of two years is calculated from the beginning of the pension recipient's application for adjustment or from the calendar month following the start of adjustment measures by the pension provider.

Section 53 h (29.1.2016/69)

*Converting the years-of-service pension into an old-age pension*

The years-of-service pension is converted into an old-age pension from the start of the calendar month following the pension recipient having reached the lower old-age retirement age.

Per application, the employee is entitled to the pension accrued based on work carried out while receiving years-of-service pension when his or her years-of-service pension is changed into an old-age pension according to subsection 1, if the employee is no longer in the employment relationship from which he or she is transferring to old-age pension.

If the employment relationship of the employee ends once he or she has reached the lower retirement age, the employee is entitled to receive, per application, the pension accrued based on work carried out during payment of the pension, at the earliest from the start of the month following the end of the employment relationship.

Section 53 i (29.1.2016/69)

*The granting of old-age pension instead of years-of-service pension*

Instead of years-of-service pension, the pension is calculated and granted as old-age pension from the beginning of the month following the employee reaching the lower old-age retirement age, if the employee has reached the lower old-age retirement age prior to the start of the years-of-service pension.

Section 53 j (29.1.2016/69)

If the pension provider rejects the application for years-of-service pension, it is obligated to clarify whether the employee would be entitled to vocational rehabilitation in accordance with section 25 and to ensure that the employee's possibilities of obtaining rehabilitation based on other legislation have also been reviewed. If the employee is entitled to receiving rehabilitation in accordance with section 25, the pension provider will issue a preliminary decision on the right to rehabilitation in accordance with section 27.

Section 53 k (29.1.2016/69)

### *Years-of-service pension based on pension granted according to the Public Sector Pensions Act*

The employee is entitled to years-of-service pension in accordance with this Act if he or she has been granted a years-of-service pension based on section 51 of the Public Sector Pensions Act.

#### Section 53 I (29.1.2016/69)

##### *Years-of-service pension recipient's duty to report*

If recipients of years-of-service pension enter gainful employment, they have a duty to report this to the pension provider.

#### Survivors' pension

#### Section 54

##### *Survivors' pension and recipients of a survivors' pension*

The person through whom the benefit is derived is an employee whose pension has accrued pursuant to this Act and after whose death survivors' pension will be paid to the beneficiaries as provided below. The beneficiary is a person entitled to receive a survivors' pension following the death of the person through whom the benefit is derived. Based on the preconditions listed below, the benefactors include the surviving spouse, the children of the deceased and the surviving spouse, as well as the former spouse of the deceased.

Survivors' pension is paid in the form of a pension for the surviving spouse and as orphan's pension. A person who has intentionally caused the death of the person through whom the benefit is derived by means of a criminal act is not entitled to a survivors' pension.

#### Section 55

##### *Pension right of the surviving spouse*

The surviving spouse is entitled to a surviving spouse's pension if he or she has married the deceased before the deceased person's 65th birthday and has had, or has, a child with the deceased.

A surviving spouse who entered into marriage prior to the 50th birthday of the surviving spouse and the 65th birthday of the deceased and whose marriage had continued for at least five years is also entitled to a surviving spouse's pension, if:

- 1) the surviving spouse has turned 50 at the time of death of the person through whom the benefit is derived; or
- 2) at the death of the person through whom the benefit is derived, the surviving spouse was receiving a disability pension pursuant to an earnings-related pension act or the National Pension Act (568/2007), which had continued for at least three years. (7.12.2007/1164)

The surviving spouse is not entitled to a surviving spouse's pension pursuant to subsection 1 if the child has been given up for adoption to someone outside the family prior to the death of the person through whom the benefit is derived or adopted by the surviving spouse following the death of the person through whom the benefit is derived.

If, on the basis of a previous marriage, the surviving spouse has the right to receive a survivors' pension under the earnings-related pension acts, he or she is not entitled to a new survivors' pension.

#### Section 56

##### *Child's pension right*

If the person through whom the benefit is derived has died before the child has turned 18, the following are entitled to an orphan's pension:

- 1) the child of the deceased; and
- 2) the child of the surviving spouse who lived in the same household as the deceased and the surviving spouse at the time of death.

The orphan's pension is primarily granted after the death of the child's own parent. The right to an orphan's pension cannot be had simultaneously after the death of more than two persons through whom the benefit is derived. If a child receiving an orphan's pension after the death of two persons through whom benefit is derived later receives an orphan's pension after the death of his or her own parent, the orphan's pension first granted after the death of some other person through whom the benefit is derived is discontinued at the time when the orphan's pension after the death of the child's own parent begins.

#### Section 57

##### *Pension right of a former spouse*

A former spouse of the person through whom the benefit is derived is entitled to a surviving spouse's pension if the deceased, at the time of death, was obligated by a decision or verdict of a court of law, or a decision confirmed by the social welfare board, to pay the former spouse regular alimony. The rights of the former spouse to a surviving spouse's pension are governed by the provisions on surviving spouses and spousal rights.

#### Section 58

##### *Start of a survivors' pension and retroactive pension payment*

The survivor's pension is paid from the beginning of the month following the death of the person through whom the benefit is derived. For a child born after the death of the person through whom the benefit is derived, the survivors' pension is paid from the beginning of the month following the child's birth.

Without good cause, the survivors' pension is not paid out retroactively for a period longer than six months prior to the pension application month.

#### Section 59

##### *Obligation to notify*

The recipient of a surviving spouse's pension is obligated to notify the pension provider if he or she enters into a new marriage.

If a child receiving an orphan's pension is adopted by someone other than the surviving spouse of the deceased or his or her spouse, the adoptive parents are obligated to notify the pension provider about the adoption of the child.

#### Section 60

##### *Discontinuing a the survivors' pension*

The surviving spouse's pension is discontinued if the surviving spouse enters into a new marriage prior to turning 50 years of age.

The orphan's pension is discontinued once the child turns 18 or is adopted by a person other than the surviving spouse of the deceased or his or her new spouse.

#### Section 61

##### *The granting of a survivors' pension for a set time*

If information on the death of the person through whom benefit is derived cannot be presented, but it is probable that the pension recipient has died by cause of drowning, some other accident or some other similar reason, a survivors' pension may be granted for a set period of time.

When a survivors' pension is granted for a set period of time pursuant to subsection 1, the earnings-related pension of the deceased is discontinued from the date on which the survivors' pension starts.

#### Section 62

##### *Paying a surviving spouse's pension as a lump sum payment*

When the surviving spouse's pension is discontinued in accordance with section 60, the surviving spouse is paid a lump sum payment, which is equal to the amount of surviving spouse's pension that he or she would have received for a period of three years.

The basis for a lump sum payment is the monthly pension paid last, or, if the pension provider functions as the last pension provider under section 107, the total amount of pensions it pays per month.

## **Chapter 4**

### **Determining the pension**

#### **Accrual of pension**

Sections 63 and 64 repealed (29.1.2016/69)

Section 65 (29.1.2016/69)

#### *Pension accrual*

Pension accrues at a rate of 1.5 per cent of the earnings from work (annual earnings) forming the annual basis for pension as referred to in sections 70 and 72, which the employee earns from the start of the calendar month following the 17th birthday to the upper age limit of the insurance obligation.

Earnings from the year during which disability began do not accrue pension if, when determining the pension, the projected pensionable service has been included as giving entitlement to a pension on the basis of the provisions of section 66.

Pension accrues at a rate of 1.5 per cent on income that forms the basis of the benefit received for the employee's unpaid periods during each calendar year, as referred to in section 74.

Section 66 (29.1.2016/69)

#### *Determining the pension for projected pensionable service*

When determining a disability pension, the period giving entitlement to a pension is calculated from the beginning of the calendar year during which the employee has become disabled until the end of the calendar month during which the employee reaches the individual lower retirement age (projected pensionable service). If the employee's lower retirement age has not been regulated at the time of pension contingency, the period giving entitlement to pension is calculated from the beginning of the calendar year during which the employee has been disabled until the end of the calendar month during which the employee reaches the lowest old-age retirement age regulated for the age cohort that is closest to him or her. The precondition for receiving a pension component for projected pensionable service is that the employee has earnings from work under the earnings-related pension acts to a total sum of at least EUR 12,566.70 from the ten calendar years preceding the year during which the disability began.

Projected pension accrues on the earnings forming the basis of the projected pension as referred to in section 76 at 1.5 per cent per year.

Section 67 has been revoked by an act 29.1.2016/69

Section 68

#### *Pension accrual from a period when a disability pension has been terminated*

If an employee who has received a disability pension is later granted a pension on new grounds, the period giving entitlement to a pension will also include the time during which the employee received disability pension. When calculating pension from this period, the projected pensionable earnings of the disability pension that has been terminated are used as the basis.(29.1.2016/69)

On the basis of the aforementioned subsection 1, pension accrues from earnings that form the basis of the pension component for the projected pensionable service of the disability pension from the start of the year of the onset of the disability until the last month of the disability pension at 1.5 per cent per year. (14.8.2009/627)

If the employee received a disability pension pursuant to another earnings-related pension act in addition to the disability pension under this Act, the earnings for the projected pensionable service under this Act of the disability pension that has been terminated have the same relative share of the earnings for projected pensionable service of the disability pensions received by the employee as the share of the earnings under this Act of the total amount of earnings under the acts on the earnings-related pension during the reference period referred to in sections 76 and 78.

If the employee has received a disability pension without due cause, this pension period will not be included as giving entitlement to pension when calculating the new pension.

#### Section 69 (14.8.2009/627)

##### *Pension accrual from part-time work and part-time pension*

Pension accrues from the earnings that form the basis of the benefits referred to in section 74 from earnings from part-time work carried out alongside part-time retirement as well as from unpaid periods during part-time work, in accordance with sections 64 and 65.

Pensionable earnings and benefits

#### Section 70

##### *Pensionable earnings*

When determining the pensionable earnings, the salary, performance-based bonus or other remuneration that has been paid or has been agreed to be paid as compensation for work are taken into account. Such remuneration is considered as earnings from work that accrues pension also when the employee receives the payment not from the employer but from an estate in bankruptcy, an authority ensuring wage security as referred to in the Wage Security Act (866/1998) or another payer (substitute payer). Pensionable earnings also include remuneration to be paid for work that has been agreed to be either wholly or partly compensated:

- 1) from service charges or donation funds available from the public, which are taken into account at the same amount as in the last completed tax assessment, if no other reliable clarification of the amounts is presented;
- 2) from the allowance paid by the contributory sickness fund, as referred to in the Insurance Funds Act, which the employee receives in place of salary as provided by law or agreed upon in the collective agreement or another agreement; or
- 3) from support for private care pursuant to the Act on Support for Home Care for Children and Private Care (1128/1996), or from other similar support paid by the State or the municipality.

Remuneration for work referred to above in subsection 1 does not include the following:

- 1) a personnel benefit received from the employer;
- 2) interest benefit from a loan received on the basis of an employment relationship;
- 3) benefit from the right to subscribe to company shares at a lower price than the current price on the basis of an employment relationship, if said benefit is available to the majority of the personnel;
- 4) benefit arising from using an employment option as referred to in section 66 of the Income Tax Act (1535/1992) or a payment based on an employment relationship that is determined on the basis of the change in share value of the company;
- 5) a bonus given in the form of shares of the employer company or a company in the same Group or some other similar financial consortium that are quoted on a stock exchange subject to supervision by the authorities, or as investment deposits or in another corresponding form; or instead of shares either partly or wholly in cash, provided that the value of such a bonus is dependent on the development of the value of the shares in question during a subsequent period of at least one year after which the bonus has been promised;
- 6) a daily allowance received for a business trip or other cost reimbursement;
- 7) waiting period salary as referred to in Chapter 2, section 14(1) of the Employment Contracts Act;
- 8) compensation paid as the result of the employment contract ending or other compensation for damages;

- 9) profit bonus items and their supplements, as referred to in the Act on Personnel Funds (934/2010), transferred to the employee fund or taken out in fund units from the employee fund;
- 10) profit bonus items and their supplements, as referred to in the Act on Personnel Funds, taken out in cash based on section 37 of the Act on Personnel Funds as a bonus that has been determined based on the fund's constitution, providing that the items have been determined based on the company's profitability and other operational efficiency indicators.
- 11) items paid to the employee as profit distribution or in cash as profit bonus based on a decision by the General Meeting, provided that the profit bonus in cash is paid to the entire personnel and is not used as an attempt to replace the payroll system required under the collective agreement or the employment contract, and that the basis for determining the profit bonus in cash adhere to point 10 above and section 2, subsections 2 and 3, of the Act on Personnel Funds and that the company's amount of spare capital is larger than the total amount of profit bonus in cash and dividends paid to the shareholders as decided by the General Meeting; and
- 12) a profit share or dividend collected by a shareholder in the company.  
(5.11.2010/940)

In the situation referred to above in subsection 3, paragraph 11, it is also a requirement that no agreement obligating the employer to pay a profit bonus has been made, that the owners reach a binding decision at the General Meeting at the end of the financial year to pay a profit bonus in the form of cash, and that the profit bonuses are paid thereafter. A further requirement is that the issue is processed according to the Act on Co-operation within Undertakings (334/2007) or in another similar manner.  
(5.11.2010/940)

An employee receiving service charges from the general public shall report the taxable amount of service charge to the employer.

## Section 71

### *Allocation of earnings*

Pensionable earnings are considered earnings for the calendar year during which they were paid (the payment principle). If the consideration of earnings as earnings from the year of payment distorts the pension amount, the earnings can be considered as earnings from the year during which they were earned.

## Section 72

### *Pensionable earnings from work abroad (salary for insurance purposes)*

When an employee is sent from Finland to work abroad or he or she is employed abroad within the scope of application of this Act, the pensionable earnings shall be considered as the salary that would have been paid for the corresponding work in Finland, contrary to what is provided in section 70. If there is no corresponding work in Finland, the earnings shall be considered to be the salary that would otherwise be considered to correspond to said work.

Section 73 has been revoked by an act 29.1.2016/69

## Section 74

### *Unpaid periods giving entitlement to pension*

Unpaid periods give entitlement to a pension if the employee has had insured earnings of at least EUR 12,566.70 under the earnings-related pension acts prior to the start of the pension contingency year. Pension entitlement is calculated from the income constituting a benefit from an unpaid period, calculated from the beginning of the calendar month following the employee's 17th birthday until the end of the year immediately prior to the pension contingency, as referred to in subsection 3. When calculating the old-age pension, however, the income forming the basis of the employee's benefit is taken into account until the end of the old-age pension contingency month. (29.1.2016/69)

Income forming the basis of benefits during an unpaid period is considered earnings from the calendar year for which the benefit period is paid. Income forming the basis of benefits giving entitlement to pension is as follows:

- 1) 117 per cent of the earnings pursuant to the Health Insurance Act that form the basis of maternity, special maternity, paternity or parental allowance for the period during which the benefit has been paid to the employee, and 17 per cent for the period during which the benefit has been paid to the employer;
- 2) 55 per cent of the earnings forming the basis of compensation for job alternation leave pursuant to the Act on Job Alternation Leave (14.8.2009/627);
- 3) 75 per cent of the earnings forming the basis of earnings-related allowance relative to earnings pursuant to the Unemployment Security Act, insofar as the allowance has been received by the end of the month during which the employee reaches the lower retirement age;(29.1.2016/69)
- 4) Point 4 has been revoked by an act 22.12.2009/1203
- 5) Point 5 has been revoked by an act 22.12.2009/1203
- 6) 65 per cent of the earnings forming the basis of adult training allowance pursuant to the Act on Adult Training Allowance;
- 7) 65 per cent of the earnings forming the basis of the rehabilitation allowance under the earnings-related pension acts or the Act on the Social Insurance Institution's Rehabilitation Benefits and Rehabilitation Allowance Benefits, or compensation for loss of income granted on the basis of the provisions on rehabilitation under workers' compensation insurance or motor liability insurance, for the time period during which the benefit has been paid to the employee; not, however, if the rehabilitation allowance has been paid in addition to the pension;
- 8) 65 per cent of the earnings, as referred to in the Health Insurance Act, that form the basis of sickness allowance, partial sickness allowance and special care allowance for the period during which the benefit has been paid to the employee, however such that the income forming the basis of the partial sickness allowance is half of the earnings on which the sickness allowance is based; (1274/2006)
- 9) 65 per cent of the earnings forming the basis of loss of earnings compensation pursuant to the rules governing accident, traffic or military injury insurance for the period during which the allowance has been paid to the employee, however not insofar as pension accrues for the same reason as provided in section 8.

If the benefit referred to in subsection 3, paragraph 1 has been paid as a minimum allowance due to a lack of or small amount of earnings, the income forming the basis of the benefit is considered to be EUR 523.61 per month. If the benefit is the amount of the minimum allowance as a result of a return to work, the income forming the basis of the benefit is considered to be the amount of the minimum allowance paid to the employee.

Pension does not accrue on the income forming the basis of the benefit for periods during which the employee has received pension in accordance with the earnings-related pension acts, a comparable benefit from abroad or benefit on the basis of service in an international organization or an institution of the European Union. However, pension also accrues from periods of partial old-age pension and survivors' pension, on the basis of income forming the basis of the benefit. (29.1.2016/69)

The pension record, issuing and checking the record (22.12.2011/1456)

## Section 75 (29.1.2016/69)

### *Pension record*

Every employee between the ages of 17 and 69 will receive a pension record detailing his or her pension-insured earnings. The pension record lists the following information for the six years immediately preceding the year during which the record is sent:

- 1) pensionable earnings pursuant to the earnings-related pension acts, per employer;
- 2) pensionable earnings for work insured under the Self-employed Persons' Pensions Act or the Farmers' Pensions Act and the total earnings for such work;
- 3) pensionable income on the basis of benefits paid during unpaid periods, per type of benefit;

- 4) the grounds and period for which pension accrues from state funds pursuant to the act governing pension compensation for the care of a child under the age of three or for the duration of studies; and
- 5) the amount of pension accrued by the end of the year previous to the year of issuing the pension record, however not in the case of the employee having retired on a partial old-age pension.

The pension record also states the lowest old-age retirement age of the employee if it has been established for his or her age cohort at the time the pension record is issued.

The pension provider issues the pension record when:

- 1) the pension provision of the pension record recipient has been based solely on private-sector pension acts or on both private- and public-sector pension acts in parallel by the end of the year preceding the year in which the pension record is sent or by then at the latest; or
- 2) the pension provision of the pension record recipient has been based solely on public-sector pension acts by the end of the year preceding the year in which the pension record is sent or prior to this, and he or she has earnings entitling to private-sector pension acts during the three years preceding the year in which the pension record is sent.

The Finnish Centre for Pensions will issue the pension record if the pension record recipient lacks registered earnings entitling to pension based on pension acts but has registered periods of benefits as referred to in subsection 1 paragraphs 3 or 4.

#### Section 75 a (22.12.2011/1456)

##### *Issuing the pension record*

The earnings-related pension record is issued to employees either electronically or in printed form. If the employee wishes to receive the pension record only electronically, he or she must choose that option with the electronic customer service of the pension provider. Data secure and evidential identification technology is required for logging in. The employee may receive an electronic pension record from the electronic customer service of the pension provider with whom the employee's employment relationship was insured at the time when the electronic pension record is issued, or the pension provider he or she was last insured with prior to this period.

If an employee resident in Finland has chosen to view only the electronic pension record and does not sign in to the service containing the electronic pension record within four calendar years, the pension provider with whom the employee's employment relationship was insured at the end of the four calendar years referred to, or the pension provider he or she was last insured with prior to this period, shall send the employee a printed pension record during the following calendar year. However, a printed pension record is not sent if the employee has no pensionable earnings from the private sector during the aforementioned four-year-period or registered benefit periods as referred to in Section 75 subsection 1 paragraphs 3 and 4.

A printed pension record is sent every third year to an employee resident in Finland if the employee has not received a pension record from a private or public-sector pension provider during the year of posting of the record. A printed pension record can be issued to the employee also at his or her request. A printed pension record is sent by the pension provider with whom the employee's employment relationship was insured at the end of the year before the year of sending a pension record or by the pension provider with whom he or she was last insured prior to this period.

What is regulated in subsections 3 and 4 about the sending of a printed pension record is also applied to the pension record issued by the Finnish Centre for Pensions based on Section 75 subsection 3. The employee may also select and check the electronic pension record in the joint electronic customer service of the earnings-related pension scheme by logging into the service as is regulated in subsection 2 of this section.

#### Section 75 b (22.12.2011/1456)

##### *Checking the pension record*

If an employee receiving a pension record or a pension record issued by a public-sector pension provider as regulated in section 75 discovers deficiencies or errors in the information referred to in paragraphs 1,

3 or 4 of section 75, he or she shall provide to the pension provider issuing the pension record or to the Finnish Centre for Pensions a demand that the correctness of the data be clarified. If necessary, the employee shall present a clarification of the grounds for the request, such as can be reasonably expected. The pension provider issuing the pension record will transfer the issue to be processed by the private or public-sector pension provider who is under obligation to arrange pension provision for the work under investigation, or to the Finnish Centre for Pensions. The pension provider and the Finnish Centre for Pensions are not obligated to clarify private-sector data retroactively for a period longer than six calendar years preceding the year during which the pension record has been issued. If the employee can indisputably demonstrate that he or she, prior to the aforementioned six years, had pensionable private-sector earnings or benefits as referred to in paragraphs 1, 3 or 4 of section 75 that have not been correctly taken into account as giving entitlement to pension, the pension provider or the Finnish Centre for Pensions will take these earnings or benefits into account retroactively. Indisputably demonstrated earnings are taken into account as earnings of the payment year, and earnings forming the basis of benefits paid during unpaid periods as well as during a period of caring for a child under the age of three and periods of study are taken into account as earnings for those years during which the benefit period, childcare period or study period occurred. The employee is entitled to receive a decision on the private-sector information affecting his or her pension right as referred to in subsections 1 and 2. The decision as for the earnings is given by the pension provider who has clarified the earnings information or, in situations referred to in Section 75 subsection 1 paragraphs 3 and 4, by the pension provider issuing the pension decision as referred to in section 75 or by the Finnish Centre for Pensions. If the information under subsections 1 and 2 is connected to an issue covered pursuant to section 10, which is under consideration at the Finnish Centre for Pensions, the decision on this information is also given by the Finnish Centre for Pensions.

#### Section 75 c (29.1.2016/69)

##### *The target retirement age on the pension record*

The target retirement age is set separately for each age cohort. It is the age in which the expanding effect of the increase for deferred retirement calculated on the lower old-age retirement age of this age cohort is at least as great as the diminishing effect of the life expectancy coefficient on the old-age pension.

The pension record, which gives an estimate of the employee's target retirement age as well as an estimate of the amount of old-age pension at the target retirement age, is sent out to all employees not currently on a partial old-age pension, at the latest during the sixth year preceding the lower old-age retirement age or the estimated lower old-age retirement age. Thereafter the estimate of the employee's target retirement age is reported in connection with issuing the regular earnings-related pension record. Projected pensionable service

#### Section 76

##### *Earnings forming the basis of projected pensionable service*

Earnings forming the basis of projected pensionable service (projected earnings) are determined on the basis of earnings pursuant to the earnings-related pension acts and the income forming the basis of benefits during unpaid periods, as provided under section 74, which the employee has received for the last five calendar years preceding the year when disability began (reference period). Projected earnings also include the projected earnings of the disability pension paid during the reference period. Projected earnings per month are the earnings from work, the earnings that form the basis of benefits during unpaid periods, the projected earnings of a disability pension, and the sum of income referred to in subsections 4-6 divided by sixty. (14.8.2009/627)

When determining projected earnings, the following is taken into account:

- 1) income forming the basis of maternity, special maternity, paternity and parental allowance to the amount referred to in section 74 subsection 3, and
- 2) 100 per cent of other income forming the basis of benefits received during unpaid periods as referred to in section 74.

If the benefit referred to in subsection 2, paragraph 1 has been paid as a minimum allowance due to a lack of or small amount of earnings, the income forming the basis of the benefit is considered to be EUR 523.61 per month. If the benefit has been paid to the amount of a minimum allowance as a result of a return to work, the minimum allowance paid to the employee will be taken into account when determining the projected earnings. (14.8.2009/634)

When determining the projected earnings, the income taken into account is EUR 1,047.22 for each full month during which the employee has received a basic unemployment allowance or labour market support under the Unemployment Security Act. (22.12.2009/1203)

An allowance pursuant to the Health Insurance Act will be taken into account in the manner referred to in subsection 4, if it has been granted to the amount of the basic allowance pursuant to the Unemployment Security Act.

When determining the projected earnings, the income taken into account is EUR 1,047.22 for each full month during which the employee has accrued a benefit pursuant to the Act on Pension Compensation for Caring for a Child under Three or for Studies and paid for by state funds. (14.8.2009/627)

If the employee does not have pensionable earnings during the reference period, the pension component for the projected pensionable service is not included in the pension and likewise income forming the basis of benefits received during unpaid periods as referred to in section 74 or on the basis of income referred to in subsections 4-6. (14.8.2009/627)

## Section 77

### *Impact of a period of child care on the projected pension*

If the employee's earnings are less than his or her established level of earnings during the reference period referred to in section 76 subsection 1 due to caring for a child under the age of three, and if this circumstance has an impact of at least 20 per cent on the amount of pension under the earnings-related pension acts, the earnings which have not decreased due to a period of caring for a child may, on application by the employee, be considered earnings as referred to in section 76 subsection 1. In this case, however, the earnings from the last ten years at the maximum will be taken into account.

## Section 78

### *Determining projected pension based on earnings of less than five years*

If the employee has pensionable earnings, earnings forming the basis of benefits received during unpaid periods, or projected earnings as referred to in section 76 only for the year during which the disability began or the year previous to that year, the earnings of the year during which disability began until the end of the month during which the employee has become disabled will be taken into account when determining the projected earnings.

If the employee has become disabled prior to the end of the calendar year during which he or she turned 23 years of age, the reference period will run from the beginning of the month following the 18th birthday until the end of the month during which disability began. In this case, the projected earnings per month is the sum of the projected earnings as referred to in section 76 that have been received during this reference period divided by the number of months during that period, however by a maximum of 60.

## Section 79

### *The share of earnings for projected pensionable service pursuant to this Act*

If the projected pensionable service is taken into account in the employee's pension on the basis of several different earnings-related pension acts, the projected earnings under this Act are as large a share of the total projected earnings as the share of earnings under this Act is of the total amount of earnings based on the earnings-related pension acts during the reference period referred to in sections 76 or 78. Other issues affecting the amount of disability pension

## Section 80

### *Pension on previous grounds*

If an employee receiving rehabilitation allowance pursuant to this Act is granted a disability pension on the basis of a disability that has started before two years have elapsed since the end of the rehabilitation allowance period, the pension will be determined as it would have been had the disability started at the beginning of the rehabilitation allowance period.

If an employee who has received a disability pension is later granted a disability pension on the basis of a new disability that has started before two years have elapsed since the disability pension initially granted has ended, the new disability pension is determined on the same grounds as the disability pension that was granted initially. The same procedure is followed later if a new disability pension is granted to an employee who previously received a disability pension for the same illness, handicap or injury.

If an employee receiving a disability pension is granted an old-age pension which begins before two years have elapsed since the end of the disability pension, the old-age pension is determined on the same grounds as the aforementioned disability pension.

### Section 81

#### *Lump sum increase for a disability pension*

A lump sum increase is added to the employee's disability pension from the start of the calendar year after five calendar years have elapsed since the start of the pension. The increase is not added if the employee has turned 56. The lump sum increase is not added to the rehabilitation increment.

(14.8.2009/634)

The lump sum increase is calculated on the basis of the joint amount of pensions under the private-sector earnings-related pension acts that have been granted to the employee. The increase is determined according to the employee's age at the start of the year of the increase. The increase percentage is 25 if the employee is aged between 24 and 31 at the start of the year of the increase. The increase percentage decreases by 1.0 percentage points per year of age. (29.1.2016/69)

Life expectancy coefficient

### Section 82 (29.1.2016/69)

#### *Adjusting pension provision to general changes in life expectancy*

The lowest old-age retirement age of an employee born in 1965 and later, the lowest age limit for partial old-age pension and the lowest age limit for the years-of-service pension are adjusted for changes in life expectancy. Age limits are confirmed for the year during which the employee turns 62 years of age.

The old-age pension, partial old-age pension, years-of-service pension and disability pension are adjusted to changes in life expectancy with the life expectancy coefficient. At the onset of the pension, it is adjusted with the life expectancy coefficient of the year in which the employee turns 62 years of age. If a pension other than disability pension starts before that year, it is adjusted with the confirmed life expectancy coefficient of the year in which the pension starts. If disability pension starts before the year during which the employee turns 62 years of age, it is adjusted with the life expectancy coefficient confirmed for the year of the beginning of the disability. When the disability pension or years-of-service pension is converted to an old-age pension, the pension is not adjusted anew with the life expectancy coefficient. When the partial old-age pension is converted to an old-age pension, the share of the old-age pension left unadjusted by the life expectancy coefficient is adjusted with the life expectancy coefficient of the year in which the employee turns 62 years of age.

### Section 83 (29.1.2016/69)

#### *Determining age limits and the life expectancy coefficient*

The lowest possible retirement age of an employee born in 1965 and later is determined so that the ratio of the difference between the lowest possible old-age retirement age and the age of 18 in the life expectancy calculated for the lowest possible old-age retirement age is the same as the ratio will be in

2025. The life expectancy coefficient is calculated on the basis of the mortality statistics of Statistics Finland, which are always available for the last respective five years. When calculating the ratio for 2025, the lowest possible old-age retirement age is 65 years and the life expectancy coefficient is calculated on the basis of the mortality statistics of Statistics Finland for the time period 2020-2024.

The lowest old-age retirement age is calculated to an exactness of one month. The confirmed lowest old-age retirement age may differ from the previous confirmed lowest retirement age by at most two months. The lowest age limit for partial old-age pension, as well as the lowest age limit for years-of-service pension, will be adjusted with as many months as the lowest possible old-age retirement age differs from the previous confirmed lowest retirement age.

The life expectancy coefficient for the years 2018-2026 is determined so that the capital value of the converted pension starting at age 62 is the same, when calculated on the basis of the mortality statistics of Statistics Finland for the last respective five years, as the capital value of an unconverted pension starting at age 62 in 2009, calculated on the basis of the mortality statistics for the time period 2003-2007. An interest rate of two per cent is used when calculating the capital value.

The life expectancy coefficient for the year 2027 and thereafter is determined so that the capital value of the converted pension starting from the last confirmed lowest retirement age is the same, when calculated on the basis of the mortality statistics of Statistics Finland for the last respective five years, as the capital value of a converted pension adjusted with the life expectancy coefficient for the year 2026 starting at age 65 in 2026, calculated on the basis of the mortality statistics for the time period 2020-2024. An interest rate of two per cent is used when calculating the capital value.

The Ministry of Social Affairs and Health annually confirms the age limits referred to in section 82 with a decree issued no later than two months before the start of the calendar year during which the employee turns 62 years of age and thereafter the life expectancy coefficient referred to in Section 82 no later than a month before the start of the calendar year on which it will be applied.

Determining the survivors' pension

#### Section 84 (29.1.2016/69)

##### *Grounds for the survivors' pension*

A survivors' pension is granted on the death of the person through whom the benefit is derived on the basis of an old-age pension, full disability pension or years-of-service pension pursuant to this Act. The pension which the deceased accrued while in retirement is added to the pension of the deceased serving as the basis for the survivors' pension.

If, at the time of death, the deceased did not receive any pension as referred to in subsection 1, or received partial old-age pension, the pension which the deceased would have received had he or she become disabled to the point of being entitled to a full disability pension on the day of death is used as the basis for the survivors' pension.

The decrease in the pension of the deceased according to sections 92-94 will not be taken into account when calculating the basis for the survivors' pension.

If, at the time of death, the deceased had reached an age entitling to old-age pension according to some earnings-related pension Act, but did not, at the time of death, receive old-age pension or partial old-age pension, the pension the deceased had accrued based on said Act at the time of death is used as the basis for calculating survivors' pension.

If the deceased was receiving a disability pension at the time of death, which did not include the lump sum increase referred to in section 81, a lump sum increase will be added to the disability pension of the deceased forming the basis for the survivors' pension from the beginning of the year by which the disability pension of the deceased and the survivors' pension, on the basis of which it is granted, have jointly been ongoing for five calendar years. If the deceased was not receiving a pension at the time of death, the lump sum increase will be added to the disability pension serving as the basis for the survivors' pension from the beginning of the calendar year by which the survivors' pension has been ongoing for five calendar years. The lump sum percentage is determined in the manner referred to in section 81 subsection 2 according to the age that the deceased would have had at the time of the increase.

#### Section 85

### *Amount of pension of the surviving spouse and former spouse*

The amount of a surviving spouse's pension is based on the survivors' pension, unless otherwise provided in subsection 2 or sections 88–93, and will be:

- 1)  $\frac{6}{12}$ , if the benefactor is the surviving spouse or the surviving spouse and one child;
- 2)  $\frac{5}{12}$ , if the benefactor is the surviving spouse and two children;
- 3)  $\frac{3}{12}$ , if the benefactor is the surviving spouse and three children;
- 4)  $\frac{2}{12}$ , if the benefactor is the surviving spouse and four or more children.

The size of the surviving spouse's pension of the former spouse of the deceased is determined so that its share of the amount of surviving spouse's pension calculated according to subsection 1 is the same as what 60 per cent of the alimony paid by the deceased to the former spouse is of the pension of the deceased as referred to in section 84. If the benefactors also include a surviving spouse, the combined amount of survivors' pension of the former spouses will be a maximum of half of the survivors' pension. The total amount is deducted from the survivors' pension and divided between the former spouses in relation to the amounts of alimony.

### Section 86

#### *Amount of orphan's pension*

The amount of orphan's pension is based on the survivors' pension, unless otherwise provided in sections 92 or 93, and will be:

- 1)  $\frac{4}{12}$ , if there is one child;
- 2)  $\frac{7}{12}$ , if there are two children;
- 3)  $\frac{9}{12}$ , if there are three children; and
- 4)  $\frac{10}{12}$ , if there are four or more children.

The total amount of orphan's pension is divided evenly between the children who are the benefactors.

### Section 87

#### *Adjusting the survivors' pension*

The amount of survivors' pension and its distribution between the benefactors is adjusted whenever there is a change in the number of benefactors. The adjustment is carried out from the beginning of the calendar month following the change.

The amount of survivors' pension is also reviewed when a lump sum increase is added to the disability pension forming the basis of the survivors' pension pursuant to section 83 subsection 3. The survivors' pension is then adjusted at the same time as the lump sum increase is added.

### Section 88

#### *Reducing the surviving spouse's pension*

The pensions received by the surviving spouse in accordance with the earnings-related pension acts and similar acts reduce the surviving spouse's pension. When reducing the surviving spouse's pension, the pensions received by the surviving spouse are taken into account without decreasing the primary benefits referred to in sections 92 and 93, and the partial disability pension of the surviving spouse is taken into account as a full disability pension. In addition to the old-age pension received by the surviving spouse, the pension that the deceased spouse has earned for work until the end of the year before the year of death and for which no pension has yet been granted will be taken into account when reducing the surviving spouse's pension. Furthermore, a benefit corresponding to the aforementioned pension, which is paid or would have to be paid to the surviving spouse from abroad or on the basis of service for an institution of the European Union or an international organization, is taken into account when reducing the surviving spouse's pension. (7.11.2014/882)

If the surviving spouse does not receive any pension as referred to in subsection 1, or if he or she receives partial old-age pension, his or her earnings-related pension is still considered to be the notional pension that he or she would have been granted had he or she become disabled in a manner entitling to

a full disability pension on the day of death of the deceased. If the surviving spouse has reached an age that entitles to old-age pension under any of the earnings-related pension acts by no later than the date on which the spouse through whom the benefit is derived dies, the earnings-related pension of the surviving spouse is the notional pension that he or she has accrued by the end of the year before the year in which the deceased spouse died. If the surviving spouse has worked abroad or in the service of an institution of the European Union or an international organization, his or her earnings-related pension is considered to be the notional pension that the surviving spouse would have been granted had the work that is included in the period of insurance based on his or her service abroad or in an institution of the European Union or an international organization been covered by this Act. (11.11.2016/945)

If the pension provider gives the amount of notional pension of the surviving spouse to a pension provider which handles the implementation of the earnings-related pension acts of the public sector for the purpose of determining the survivors' pension pursuant to the earnings-related pension acts in the public sector, the surviving spouse has the right to request a decision on the amount of notional pension from the pension provider.

## Section 89

### *Point in time for reducing the surviving spouse's pension*

The surviving spouse's pension is reduced from the beginning of the seventh calendar month following the death of the deceased. However, if the surviving spouse had turned 65 years of age at the death of the person through whom the benefit is derived, or is receiving a pension as referred to in section 88(1), the survivors' pension is reduced from the beginning of the calendar month following the death of the deceased.

If, at the time of death of the deceased, a child or children were living in the same household as the deceased and the surviving spouse and entitled to receiving an orphan's pension on the death of the deceased, the surviving spouse's pension will not be reduced until the youngest child has turned 18. The notional pension of the surviving spouse is then considered to be the disability pension that he or she would have been granted if he or she were to have become disabled to the extent entitling to a full disability pension following the 18th birthday of the youngest child. If, at that time, the surviving spouse has reached the eligibility age for an old-age pension, his or her notional pension is the old-age pension that he or she has earned by the end of the year before the year in which the youngest child turns 18 years of age. (7.11.2014/882)

## Section 90

### *Basis and amount of reduction in the surviving spouse's pension*

The surviving spouse's pension is reduced if the earnings-related pensions of the surviving spouse as referred to in section 88 exceed the grounds for a reduction in the pension. The reduction in the pension is 50 per cent of the difference between the earnings-related pensions referred to in section 88 and the basis for the pension reduction. The basis for reducing the pension is EUR 500 per month.

(14.8.2009/627)

Paragraph 2 has been revoked with an Act (14.8.2009/627)

If the surviving spouse has the right to receive a surviving spouse's pension on the basis of another earnings-related pension act in addition to this Act, an amount that is as large a share of the abovementioned reduction as the surviving spouse's pension pursuant to this Act is of all the surviving spouse's pensions based on the earnings-related pension acts will be deducted from the surviving spouse's pension based on this Act.

The same basis for reducing the pension is used when adjusting the surviving spouse's pension as was used when reducing it for the first time. (7.11.2014/882)

## Section 91

### *Reducing the surviving spouse's pension in special circumstances*

When reducing the surviving spouse's pension, the average earnings of the surviving spouse and benefits based on these as well as the partial disability pension are taken into account instead of the earnings-related pensions at the request of the surviving spouse, if:

- 1) the surviving spouse does not receive an earnings-related pension based on his or her own work, or if the surviving spouse receives a partial disability pension;
- 2) the surviving spouse has filed an application regarding the matter within five years of the death of the person through whom the benefit is derived, or at the time when the surviving spouse's pension is first reduced; and
- 3) the earnings referred to and the benefits based on these as well as the partial disability pension, if 60 per cent of the earnings are taken into account, amount to at least 25 per cent less than the pension for a surviving spouse determined according to section 88.(29.1.2016/69)  
(7.12.2007/1164)

The average earnings referred to in subsection 1 are calculated from the earnings of the surviving spouse for a six-month period prior to filing the application, and the reduction in the pension as per subsection 1 will be made from the beginning of this retroactive period at the earliest.

The surviving spouse's pension is adjusted when such a change occurs that the preconditions referred to in subsection 1 are no longer met. (7.11.2014/882)

Subsection 3 has been revoked by an act 21.12.2016/1247

Subsection 4 has been revoked by an act 7.11.2014/882

Section 91 a (29.1.2016/69)

*Adjusting the surviving spouse's pension*

The surviving spouse's pension is also adjusted if, when reducing the surviving spouse's pension, the disability pension received by the surviving spouse is terminated and the surviving spouse is later granted a new pension other than a partial old-age pension, on which the regulations in section 80 on the granting of a pension on previous grounds are not applied.

## **Chapter 5**

### **Deducting primary benefits from the pension**

Section 92 (22.12.2011/1427)

*Benefits that reduce the pension*

The primary benefit received by the employee is deducted from a pension based on this Act, and a survivor's pension or compensation that correspond to a primary benefit is deducted from a survivor's pension. Primary benefits include:

- 1) compensation for loss of earnings pursuant to the Occupational Accidents, Injuries and Diseases Act, excluding the workers' compensation pension and preceding daily allowance and compensation for loss of earnings pursuant to section 68 of said Act, from which the earnings-related pension pursuant to section 202, subsection 5, of said Act has been deducted;
- 2) compensation for loss of earnings pursuant to the Occupational Accident and Disease Act for Farmers, excluding the workers' compensation pension and preceding daily allowance pursuant to section 58 of said Act;
- 3) loss of earnings compensation or a pension based on a personal injury pursuant to the Motor Liability Insurance Act;
- 4) loss of earnings compensation granted according to the Act on Rehabilitation Compensated on the Basis of the Motor Liability Insurance Act;
- 5) allowance or accident pension granted under the Military Injuries Act;
- 6) loss of earnings compensation or pension based on a personal injury pursuant to the Patient Injuries Act (585/1986). (29.1.2016/69)

Without preventing what is regulated in subsection 1, after the deduction of the primary benefit, the pension amounts to at least the pension accrued based on the employee's earnings after the year of the loss event. The pension payable pursuant to this Act is a share of the difference between the total

amount of all earnings-related pensions and the deduction of the primary benefit, or from the above-mentioned minimum amount, equal to the share of the pension pursuant to this Act of all the earnings-related pensions.

If a lump sum increase has been added to the pension or primary benefit pursuant to this act, the deduction is based on the increased amount of the pension or primary benefit.

However, if the loss event of the primary benefit has occurred prior to 2004, the deduction of the primary benefit referred to in subsections 1 and 2 is not made.

### Section 93

#### *Reduction in a benefit received from abroad*

The benefit paid by another State that corresponds to the benefit referred to in section 92 subsection 1 is also considered to be a primary benefit.

If, when determining the employee's pension, the projected pensionable service is taken into account pursuant to the pension legislation of two or more EU or EEA countries, or countries that have a social security agreement, overlapping projected pensionable service is prevented so that the projected pensionable service is granted on the basis of the Act such that the insurance period pursuant to the employee's earnings-related pension acts is in proportion to the insurance periods of all countries granting projected pensionable service.

### Section 94 (29.10.2010/909)

#### *The impact of a change in the primary benefit or pension on the amount of pension*

If the pension recipient is granted a new primary benefit or if the amount of the primary benefit or pension pursuant to this Act changes for other reasons than an index adjustment or a lump sum increment, the deduction of the primary benefit from the pension shall be reviewed. The amount of the pension shall also be adjusted if a primary benefit has been deducted from a pension pursuant to this Act, and the pension recipient has been granted another earnings-related pension. However, an allowance pursuant to the Occupational Accidents, Injuries and Diseases Act, the Occupational Accident and Disease Act for Farmers, or the Compensation for Military Injuries Act, or the compensation for loss of earnings pursuant to the Motor Liability Act or the Patient Injuries Act, if they are granted on the basis of an accident or traffic injury occurring during a period of partial disability pension, shall not be deducted from the partial disability pension. An allowance or pension pursuant to the Occupational Accidents, Injuries and Diseases Act, the Occupational Accident and Disease Act for Farmers, or the Compensation for Military Injuries Act or the compensation for loss of earnings pursuant to the Motor Liability Act or the Patient Injuries Act, if they are granted on the basis of an accident or traffic injury occurring during a period of partial old-age pension, shall also not be deducted from the partial old-age pension or from the amount corresponding to partial old-age pension in disability pension and years-of-service pension, before the pension recipient has reached the lowest possible old-age retirement age.(29.1.2016/69)

The amount of survivors' pension is adjusted if the pension recipient is granted a survivors' pension corresponding to a primary benefit or a survivors' pension pursuant to the earnings-related pension acts, and a primary benefit has been deducted from this lawful survivors' pension.

The pension is adjusted from the time that the benefit referred to in subsection 1 is granted or from which the amount of the benefit or the pension pursuant to this Act changes. If the pension recipient is granted a benefit from abroad in accordance with section 93 subsection 1, or the amount of the benefit changes, the pension amount is adjusted from the beginning of the following calendar month during which the pension provider is informed about the granting or changing of this kind of benefit.

The amount of pension is not adjusted if the primary benefit is granted or its amount changes for a maximum period of four months calculated from the start of the benefit or the changes made to it.

### Section 95

#### *Right of recourse*

Pension pursuant to this Act can be paid at an unreduced level until the amount of the primary benefit has been finally clarified. The right of the pension recipient to a primary benefit is transferred to the pension provider insofar as the benefit would have reduced the pension.

The pension provider is entitled to subrogate the amount of disability pension, survivors' pension and rehabilitation benefit paid according to the Railed Vehicle Liability Act (113/1999) from the party liable to compensate, if the disability of the employee or death of a benefactor causes damage for which compensation must be paid according to the Railed Vehicle Liability Act. The right of recourse of the pension provider may be no larger than the sum that the party suffering damage or the beneficiary would have been entitled to receive according to the Railed Vehicle Liability Act.(29.1.2016/69)

## **Chapter 6**

### **Consideration of changes in salary and price levels**

#### Section 96

*Adjusting earnings limits, money amounts and annual earnings by the wage coefficient*

The earnings limits, money amounts and lower and upper limits regulated in this Act are adjusted annually from the beginning of January by a coefficient (wage coefficient) where the weighting coefficient of changes in the wage level is 0.8 and the weighting coefficient of changes in the price level is 0.2.

When calculating the pension, the annual earnings are adjusted by the wage coefficient to the level of the year when the pension starts. Additionally, when calculating other pension paid after the partial old-age pension, or the latter pension share of the partial old-age pension, the pension share providing the basis for partial old-age pension and not yet granted is adjusted with the wage coefficient to the level of the year when the pension begins.(29.1.2016/69)

The earnings limits, money amounts and upper and lower limits of this Act correspond to the value of the wage coefficient, as referred to in subsection 1, of one (1.000) in 2004.

#### Section 97 (29.1.2016/69)

*Determining the wage coefficient*

The basis for the wage coefficient is the annual changes in the earnings level and consumer price index calculated by Statistics Finland in the third quarter of the previous calendar year.

#### Section 98

*Pension index adjustment*

The pension being received is adjusted annually at the beginning of January using an index (the earnings-related pension index), where the weighting coefficient of changes in the wage level is 0.2 and the weighting coefficient of changes in the price level is 0.8.

#### Section 99 (29.1.2016/69)

*Determining the earnings-related pension index*

The basis for the earnings-related pension coefficient is the annual changes in the earnings level and consumer price index calculated by Statistics Finland in the third quarter of the previous calendar year.

#### Section 100

*Issuing the wage coefficient and earnings-related pension index*

The Ministry of Social Affairs and Health issues the wage coefficient and earnings-related pension index for each calendar year by decree at least two months before the start of the calendar year to which they are applied.

See section 96 of the Employees Pensions Act on the issuing of the wage coefficient by the Ministry of Social Affairs and Health (582/2012), which came into effect on 1 January 2013, and section 98 of the

Employees Pensions Act on the issuing of the earnings-related pension index by the Ministry of Social Affairs and Health (583/2012), which came into effect on 1 January 2013.

## **Chapter 7**

### **Applying for a pension and pension decisions**

#### Section 101

##### *Pension application*

The pension shall be applied for from the pension provider using the form that has been confirmed by the Finnish Centre for Pensions. All clarifications necessary for deciding the pension matter shall be appended to the application.

If an employee is entitled to rehabilitation such as that under section 25, the pension provider will issue a preliminary ruling on rehabilitation based on section 36 in conjunction with the disability pension application, or based on section 53 j in conjunction with the years-of-service pension application, without a rehabilitation application. (29.1.2916/69)

More detailed provisions on the forms and certificates needed in order to apply for a pension are provided by Government decree.

#### Section 102

##### *Report on the health of the applicant for a disability pension*

The applicant for a disability pension shall supply the pension provider with a doctor's certificate on his or her health, containing a treatment or rehabilitation plan. However, the pension provider may approve another type of doctor's certificate or corresponding report. At its own expense, the pension provider may also obtain a doctor's certificate if the applicant is being treated at a hospital or there is another special reason thereto.

The applicant for a disability pension is obligated, at the request of the pension provider, to undergo a medical examination by a certified doctor appointed by the pension provider or to go to a rehabilitation or research facility appointed by the pension provider, in order that the deterioration in working capacity can be investigated. If the applicant refuses the examination without an acceptable reason, the pension application may be decided on the basis of the information already available to the pension provider. The pension provider is obligated to reimburse the applicant for a disability pension of any costs arising from the examination referred to in subsection 2, as well as any related reasonable travel expenses.

#### Section 102 a (29.1.2016/69)

##### *Reports pertaining to the application for years-of-service pension*

Applicants for years-of-service pension are to deliver a healthcare statement to the pension provider, containing:

a description of the current work of the applicant as well as an estimate of its strain and wear according to section 53 b, as well as of the demands on working capacity;

a statement from the healthcare physician on the state of health and working capacity of the applicant; an estimate of the possibilities of the applicant to continue working, as specified in section 53 a, subsection 1 paragraph 3; and

a review of the content of previous work held by the applicant, as well as an estimate of its strain and wear according to section 53 b, provided that a review of the applicant's working history is available.

Applicants for years-of-service pension also need to deliver to the pension provider a statement by the employer detailing the contents of the applicant's work.

If statements from occupational healthcare or the employer are not available, or statements delivered are not sufficiently detailed to solve the pension matter, the pension provider may approve other reports corresponding to said statements. In such a case and in order for the application to be solved, the applicant is to deliver to the pension provider a report on his or her state of health, working capacity, the length of the working life or the content of the work.

Applicants for years-of-service pension are, at the indication of the pension provider and for the purpose of ascertaining a decrease in working capacity or the acquisition of a certificate provided for in this section, obligated to undergo examination by a certified physician named by the pension provider or at a rehabilitation or research facility named by the pension provider. Should the applicant, without acceptable cause, refuse the examination, the pension application may be solved based on the reports available to the pension provider.

The pension provider is obligated to compensate the applicant for years-of-service pension for examinations referred to in subsection 4 and possible travel costs incurred thereof, within a reasonable limit.

### Section 103

#### *Pension application on behalf of the employee*

If the employee is unable to apply for a pension or otherwise process pension-related issues due to the person's age, an injury, illness or another reason, and he or she does not have a trustee, a close relative of the employee or person caring for the employee who has been approved by the pension provider may apply for the pension on behalf of the employee as well as otherwise use the right of action on the employee's behalf in issues concerning a pension pursuant to this Act.

### Section 104

#### *Beginning of its pendens of the pension application*

The pension application is considered to have been filed on the day on which it has arrived at the pension provider referred to in the acts mentioned in section 3 or to the Finnish Centre for Pensions or an agent authorized for that purpose by the pension provider or the Finnish Centre for Pensions.

### Section 105 (14.8.2009/634)

#### *The decision and its service*

The right to a pension pursuant to this Act and the amount of pension are decided by a decision issued by a competent private-sector pension provider as stated in section 106. Having received the necessary clarifications, the pension provider shall decide on the pension application without delay. If the employee has been insured under both private and public sector earnings-related pension acts, a summary of decisions is issued by the competent private-sector pension provider that functions as the last pension provider under section 107, or by Keva.(29.1.2016/69)

The competent private sector pension provider or the last pension provider may issue a temporary pension decision regarding the granting of the pension for the time of processing the case and until the final decision is issued. Temporary decisions cannot be appealed. (22.12.2011/1427)

The competent private sector pension provider and the Finnish Centre for Pensions serve their decision by sending a letter to the pension recipient at the address he or she has provided.

More detailed provisions on the electronic signature of the decision by the competent private sector pension provider and the Finnish Centre for Pensions are issued by Government decree.

105 a § (7.11.2014/870)

Justifying a decision

#### Subsection 1

The regulations of section 45 of the Administrative Procedures Act (434/2003) shall be applied to the justification of a decision issued by a pension provider. If a pension provider rejects the benefit application altogether or partly, and the decision is, for the main part, based on medical considerations, the justifications of the decision must include the central considerations affecting the evaluation and the conclusions drawn based on said considerations.

### Section 106 (14.8.2009/634)

#### *Work carried out only in fields covered by private-sector earnings-related pension acts*

If the employee has been subject to pension provision under private-sector earnings-related pension acts only, the employee's pension application is processed and decided by the pension provider with whom the largest share of the employee's earnings has been insured during the last two calendar years (competent private sector pension provider), as stated in section 1 subsection 3. This competent private sector pension provider also pays the pension and manages the other tasks of a pension provider. Additionally, this pension provider decides on pension accrued on the basis of unpaid periods as mentioned in section 74 as well as on the accrued benefit of pension compensation from state funds in accordance with the Act on Compensating Pension for the Duration of Time Spent Caring for a Child Under the Age of Three or for Periods of Study.

Regardless of the amount of insured earnings, the Seafarer's Pension Fund is a competent private-sector pension provider when handling old-age, partial old-age, disability, years-of-service or survivors' pension issues, if the employee has the right to or the insured would have had the right to retire at the lower retirement age regulated in the Seafarer's Pensions Act.(29.1.2016/69)

#### Section 107 (29.1.2016/69)

*Work carried out in fields covered by both private and public sector earnings-related pension acts*

If the employee has been covered by pension provision based on the earnings-related pension acts of the private sector as well as the Public Sector Pensions Act, the employee shall receive a summary of decisions on his or her pension provision under private-sector pensions acts and the aforementioned public-sector pension act. The pension provider issuing the summary of decisions (the last pension provider) also pays the pensions according to the summary of decisions and manages other tasks relating to pensions. Additionally, this last pension provider decides on pension accrued on the basis of unpaid periods as mentioned in section 74 as well as on the accrued benefit of pension compensation from state funds in accordance with the Act on Compensating Pension for the Duration of Time Spent Caring for a Child Under the Age of Three or for Periods of Study.

If the larger part of the employee's earnings during the last two calendar years has been insured under the pension provisions of the Bank of Finland, the Act on the Orthodox Church, the Provincial Administration Act of Åland or other such pension regulation based on which, when implemented, the arrangement of the last pension provider as referred to in subsection 1 is not applied, the competent private-sector pension provider, Keva and the implementing pension provider as referred to in this subsection will each issue a pension decision.

#### Section 107 a (29.1.2016/69)

*Determining the last pension provider when work takes place in fields governed by private-sector pension acts and public-sector pension acts*

The last pension provider is the private-sector pension institution referred to in section 106 or Keva. The last pension provider is the private-sector pension institution referred to in section 106, if the amount of the employee's earnings from work has been ensured according to private-sector pension acts for the last two years at most.

The last pension provider is Keva, if the amount of the employee's earnings from work has been ensured based on service as referred to in the public-sector pension acts for the last two years at most.

Regardless of the amount of insured earnings, the last pension provider when handling an old-age, partial old-age, years-of-service or survivors' pension case is Keva, if:

- 1) the pension provision based on the employee's service or employment relationship at the time of the pension application becoming pending is arranged only under a public-sector earnings-related pension act or if the employee has maintained his or her right to a supplementary pension share or individual or vocational retirement age as referred to in section 1 subsection 5 of the implementing Act (82/2016) on the Public Sector Pensions Act; or
- 2) at the time of the pension contingency, the pension provision based on the service or employment relationship of the person through whom the benefit is derived was arranged only under

the Public Sector Pensions Act, or the person through whom the benefit is derived has maintained his or her right to a supplementary pension share or individual or vocational retirement age under the aforementioned subsection 1.

Regardless of the amount of insured earnings, the last pension provider when handling a disability pension case is Keva, if:

- 1) Keva assesses the employee's entitlement to disability pension based on a beginning disability while the public-sector employment or service relationship continues on the basis of section 33 subsection 1 paragraph 1 of the Public Sector Pensions Act;
- 2) the employee has maintained his or her right to a supplementary pension or individual retirement age referred to in subsection 4 paragraph 1; or
- 3) the matter concerns a partial disability pension and the pension provision of the employee in a service or employment relationship at the time of the pension contingency has been arranged under the Public Sector Pensions Act.

Regardless of the amount of insured earnings, the Seafarer's Pension Fund is the last pension provider when handling old-age, partial old-age, disability, years-of-service or survivors' pension issues, if the employee has the right to or the person through whom the benefit is derived would have had the right to retire at the lower retirement age regulated in the Seafarer's Pensions Act and Keva is not the last pension provider based on subsections 4 or 5.

#### Section 107 b (14.8.2009/634)

##### *Earnings included as earnings from work*

When determining the competent private-sector pension provider under section 106 and the last pension provider under private-sector pension acts according to section 107 a, the insured earnings from work includes earnings under the Self-employed Persons' Pensions Act and the Farmers Pensions Act.

#### Section 108 (29.1.2016/69)

##### *Obligation to negotiate*

Prior to its decision, Keva, functioning as the last pension provider, must request an evaluation of the employee's working capacity from the decisive private-sector pension provider if Keva, as the last pension provider, determines the employee's entitlement to disability pension based on a beginning disability pursuant to section 33 subsection 1 paragraph 1 of the Public Sector Pensions Act, and if the pension accrued based on private-sector pension acts exceeds EUR 688.02 per month.

If the decisive private-sector pension provider and Keva disagree on the evaluation of the employee's working capacity, they will each settle the pension matter separately.

#### Section 109 (29.1.2016/69)

##### *The power of decision of the paying pension provider when granting a new pension*

The private-sector pension provider, or Keva, who pays out old-age, partial old-age, disability or years-of-service pension to the pension recipient handles the tasks of the last pension provider also when the pension is converted to an old-age pension or when a pension recipient on old-age pension is granted a new old-age pension, or when a recipient of partial old-age pension is granted the other 25 per cent share of the partial old-age pension.

The disability pension and years-of-service pension application of a recipient of partial old-age pension will be settled by the pension provider paying the partial old-age pension.

If a private-sector pension provider or Keva pays the disability pension in the form of a cash rehabilitation benefit, the same pension provider processes the renewal application and handles other tasks of the pension provider relating to the disability pension matter. If the employee, after a terminated disability pension, applies for a new disability pension and this new disability pension is determined on previous grounds, the pension provider paying out the previous pension shall issue a decision on the application and handle other tasks of the pension provider relating to the disability pension matter.

If the person through whom the benefit is derived receives a pension paid by a private-sector pension provider or Keva at the time of his or her death, the paying pension provider issues the decision on the application for survivors' pension paid after the death of the insured and handles other tasks of a pension provider relating to the survivors' pension.

#### Section 110 (14.8.2009/634)

##### *Possibility for agreement*

On a case by case basis, if expedient relative to the handling of the pension matter, the pension providers may agree that the arrangement of the last pension provider is complied with also in situations where it would not need to be followed pursuant to the provisions of the law, or that the tasks of the last pension provider is handled by another pension provider than the one determined on the basis of 107 a, or that the arrangement of the last pension provider is not complied with at all in the pension matter.

In cases referred to in subsection 1, the pension applicant shall be informed of the pension provider handling his or her pension matter.

#### Section 111

##### *The power of decision of the Finnish Centre for Pensions and detailed provisions*

If it is unclear which pension provider is competent to handle the pension application, the Finnish Centre for Pensions will settle the matter at the request of the pension provider. The decision of the Finnish Centre for Pensions in this matter cannot be appealed.

If the employee has not had any work under the earnings-related pension acts, the pension application will be decided by the Finnish Centre for Pensions.

More detailed provisions on determining the competent pension provider, as referred to in sections 106, 107, 107 a, 108 and 109 above, are issued by Government decree. The Government decree also issues more detailed provisions on how the reference periods of two calendar years for earnings from work of the insured referred to in sections 106 and 107 a are determined. A shorter reference period than two calendar years can be issued by Government decree when the insured income from work stems from a shorter period than two calendar years. (14.8.2009/634)

## **Chapter 8**

### **Payment of the pension, increase for delay and claim for recovery**

#### Section 112

##### *Payment of pension*

The pension is paid to the pension recipient, unless otherwise provided in this Chapter or in other acts. (30.12.2008/1097)

The pension is paid monthly so that it may be withdrawn from the account in a financial institution operating in Finland that was notified by the pension recipient on the due date stated in the pension decision. The pension may also be paid to the pension recipient's account abroad.

#### Section 113

##### *Start, termination, suspension and discontinuation of the payment*

The payment of the pension starts from the beginning of the calendar month following the commencement of pension entitlement, unless otherwise provided in the provisions of Chapter 3. The pension is paid to the end of the calendar month during which the entitlement to the pension ceases.

If the pension provider has reason to suspect that the pension recipient no longer meets the entitlement criteria for the pension, the pension provider may suspend the payment of the pension. The precondition

tion is that the pension provider has requested clarification from the pension recipient of the factors relating to the amount of pension or pension entitlement, but the pension recipient has not presented clarification within a reasonable time limit, as notified by the pension provider.

If information on the pension recipient's death cannot be presented but it is probable that the pension recipient has died by drowning, through some other accident or for some other similar reason, the pension provider may discontinue the pension as of the date when the pension recipient went missing.

#### Section 114

##### *The pension as a lump sum*

If the old-age pension, survivors' pension or full disability pension before the deduction of primary benefits referred to in sections 92–94 amounts to less than EUR 20 per month, the pension provider may pay the pension as a lump sum.

If the pension referred to in subsection 1 amounts to at least EUR 20 per month but a maximum of EUR 50, the pension provider may pay the pension as a lump sum if the pension recipient has been informed of the payment of the pension as a lump sum and the pension recipient has not objected to this within a reasonable time period, as notified by the pension provider.

The payment as a lump sum of a disability pension awarded until further notice also includes the old-age pension awarded after a disability pension.

If the disability pension is paid as a lump sum, no retroactive pension payments are made to the Sickness Insurance Fund.

When the pension is paid according to the principle of the last pension provider on the basis of the summary of decisions referred to in section 107, the amount of pension referred to in subsections 1 and 2 means the total amount of the pensions included in the summary of the decisions.

The Ministry of Social Affairs and Health issues the coefficients for lump sum payments by decree, and these coefficients shall be determined on actuarial grounds.

#### Section 115

##### *Increase for delay*

If the payment of a pension awarded under this Act is delayed, the pension provider shall pay the delayed pension increased with an increase for the period of delay. The increase to the pension, calculated per year, is pursuant to the interest rate referred to in section 4 subsection 1 of the Interest Rate Act (633/1982). The obligation to pay the pension with an increase also covers pensions which the pension provider pays as the last pension provider under section 107.

The obligation to pay the pension with an increase pursuant to subsection 1 does not cover the part of the pension which is paid to another insurance or pension provider engaged in statutory insurance or to the Social Insurance Institution of Finland or to an unemployment fund due to the claim for recourse of the institution in question.

An increase for delay is not paid if its amount is less than EUR 5.39.

#### Section 116

##### *Period for which the increase for delay is calculated*

The increase to the pension shall be calculated for each day of the period of delay, however not before three months have elapsed from the end of the calendar month during which the employee presented his claim to the pension provider, together with clarification for the grounds of the pension which can reasonably be required of the employee, also taking into account the pension provider's possibilities of obtaining clarification. The increase for delay shall be calculated from the due date for a pension payment payable at a later date on the basis of the same decision.

If the payment of the pension is delayed for a reason dependent on the pension recipient, the pension provider is not obligated to pay the pension with an increase for a longer period than from the date when the pension provider became aware of the cessation of the obstacle.

If the payment of the pension is delayed due to a provision of law or an interruption in the payment traffic or some other similar general obstacle, the pension provider is not obligated to pay the pension with an increase for the period of delay caused by such an obstacle.

#### Section 117 (29.1.2016/69)

##### *Payment of the pension and rehabilitation benefit to the employer or the contributory sickness fund*

If the pension provider has retroactively awarded the employee a disability pension or years-of-service pension and if the employer has paid the employee sick pay for the same period, the pension is paid, on application, to the employer for this period for a maximum amount of the wage paid for the same period. The supplementary daily allowance paid by a contributory sickness fund as referred to in the Insurance Funds Act corresponds to the wage paid by the employer, and the pension is, on application, paid to the contributory sickness fund in the same manner as to the employer.

If the employee has been awarded an old-age pension instead of a disability pension in the manner referred to in section 52 subsection 3, retroactively from the beginning of the month following the birthday when the lowest retirement age is reached, and if the employer has paid the employee sick pay for the same period, the pension is paid, on application, to the employer for the period of disability to a maximum of the same amount as the wage paid for the same period.

If the pension provider has retroactively awarded the employee a disability pension, a years-of-service pension or an old-age pension in a situation referred to in subsection 2, and if the employer has paid the employee notice period pay instead of sick pay for the same period, the pension is paid for this period, on application, to the employer to a maximum amount of the wage paid for the same period.

If the employer pays the employee wages for the same period for which the employee receives a rehabilitation allowance or a disability pension and a rehabilitation increment related to this, the rehabilitation allowance or the disability pension with the rehabilitation increment are paid for this period, on application, to the employer to a maximum amount of the wage paid for the same period.

The pension, rehabilitation allowance or rehabilitation increment is not paid to the employer or the contributory sickness fund, insofar as it shall be paid to the Sickness Insurance Fund pursuant to section 118, and also when the employer or the contributory sickness fund has received compensation for the paid wage in accordance with some other act.

What is regulated in subsection 2 pursuant to the retroactive payment of old-age pension to the employer as compensation for sick pay paid for the same period is also applied if the employee is granted old-age pension instead of years-of-service pension in accordance with section 53.

#### Section 118 (22.12.2006/1274)

##### *Payment of the pension and the rehabilitation benefit to the Sickness Insurance Fund*

If the employee has been paid a daily allowance or partial sickness allowance under the Health Insurance Act for the same period for which the employee is granted an old-age pension, the old-age pension is paid to the Sickness Insurance Fund, insofar as the pension amount corresponds to the sickness allowance or partial sickness allowance paid for the same period.

If the full disability pension is awarded retroactively after the period of sickness allowance preceding the disability pension as referred to in section 41 subsection 1, and if daily allowance or partial sickness allowance under the Health Insurance Act has been paid for the same period, the disability pension is paid to the Sickness Insurance Fund insofar as the pension amount corresponds to the daily allowance or partial sickness allowance under the Health Insurance Act paid for the same period.

If a rehabilitation allowance or rehabilitation increment is awarded retroactively for the same period for which the employee has been paid a daily allowance or partial sickness allowance under the Health Insurance Act, the rehabilitation allowance and rehabilitation increment are paid to the Sickness Insurance Fund insofar as the amount corresponds to the daily allowance or partial sickness allowance under the Health Insurance Act paid for the same period.

#### Section 119

##### *Payment of the pension to a municipality or an institution under the Social Welfare Act*

If the employee has received income support as referred to in section 23 of the Income Support Act (1412/1997) as an advance payment, the pension provider shall pay the pension granted retroactively for the same period, or part of it, in order to compensate for the income support already paid to the institution referred to in section 6 subsection 1 of the Social Welfare Act (710/1982) on the request of the institution.

If a municipality or federation of municipalities has arranged institutional care or family care for the person entitled to a pension, the pension provider shall, on the request of the municipality or federation of municipalities, pay the pension for the period of institutional care or family care to the municipality or federation of municipalities to use in the manner referred to in section 14 of the Act on Client Charges in Social and Health Care (734/1992).

## Section 120

### *Payment of the pension to the Social Insurance Institution of Finland or an unemployment fund*

If the employee has temporarily received a guarantee pension paid by the Social Insurance Institution under section 20 subsection 2 of the Act on Guarantee Pensions (703/2010) or a pension paid under section 72 of the National Pensions Act or the aforementioned pension and housing allowance under section 8 of the Act on Housing Allowance for Pensioners (571/2007) for the same period for which the employee is retroactively granted a pension under this Act on the basis of an appeal, the pension provider shall, on the Social Insurance Institution's request, pay the retroactive pension amount to the Social Insurance Institution insofar as the amount corresponds to the amount of the excess benefit paid by the Social Insurance Institution for the same period. (1164/2007) (20.8.2010/717)

The pension provider may pay the pension it granted retroactively to the Social Insurance Institution of Finland in the manner provided in subsection 1 also when the pension provider: (29.10.2010/909)

- 1) continues the payment of the cash rehabilitation benefit awarded pursuant to an appeal;
- 2) grants the beneficiary a survivors' pension under this Act;
- 3) corrects its previous decision in accordance with section 139;
- 4) otherwise adjusts the amount of the awarded pension, or
- 5) after a corrected decision grants a continuation of the cash rehabilitation benefit.

However, the pension is not paid to the Social Insurance Institution of Finland as compensation for housing allowance that the Social Insurance Institution has paid in excess, unless a retroactive pension payment is made at the same time as compensation for the pension that the Social Insurance Institution has paid in excess.

If the employee has received unemployment allowance or labour market support under the Unemployment Security Act for the period for which he or she is retroactively awarded other pension than a partial old-age pension, the pension provider shall, on the request of the unemployment fund or the Social Insurance Institution of Finland, pay the pension to be paid retroactively to the unemployment fund or the Social Insurance Institution insofar as the pension amount corresponds to the unemployment allowance or labour market support paid for the same period. (29.1.2016/69)

If the employee has received a study grant or housing supplement under the Act on Student Financial Aid (65/1994) for the same period for which he or she is retroactively granted some other pension than a partial disability pension, the pension provider shall, on the request of the Social Insurance Institution, pay the pension paid retroactively to the Social Insurance Institution insofar as the amount corresponds to the student financial aid paid for the same period. (29.10.2010/909)

## Section 121

### *Time limit for the presentation of payment claims*

In cases referred to in sections 117–120, the pension is paid to the Sickness Insurance Fund, the employer, the contributory sickness fund, the municipality, the federation of municipalities, the social welfare institution, the Social Insurance Institution of Finland or the unemployment fund only provided that the claim for payment of the pension has been presented to the pension provider at least two weeks before the date of payment.

## Section 122

### *Payment of the pension to an institution under the Social Welfare Act by consent*

With the consent of the pension recipient, the pension provider may decide that the pension under this Act is paid to the institution referred to in section 6 subsection 1 of the Social Welfare Act in the pension recipient's municipality of residence so that the pension is used for the welfare of the pension recipient and any such person which the pension recipient is obligated to provide for under section 2 of the Income Support Act. The precondition is that the payment of the pension to the pension recipient himself/herself cannot be considered appropriate due to the person's way of life, illness or other special reasons and that the pension recipient has not been assigned a person to represent his interests.

The proposal to pay the pension to the institution referred to in the Social Welfare Act may be made by the pension recipient, the spouse of the pension recipient, other relatives or the person who mainly cares for the pension recipient, or the relevant municipal institution.

Without the consent of the pension recipient, the pension shall not be used for purposes other than for the provision of welfare during the month for which the pension has been paid.

## Section 123

### *Order of payment of the pension*

If the pension is to be paid to some party other than the pension recipient himself/herself under this Act or some other act, and two or more authorities, municipalities, institutions or organs or other parties have a claim on the pension, the pension is paid in the following order of precedence:

- 1) to the Sickness Insurance Fund under section 118; (22.12.2006/1274)
- 2) to the pension provider under section 120 subsection 1 of the Self-Employed Persons' Pensions Act or to the Farmers' Social Insurance Institution under section 28 of the Farmers' Pensions Act as unpaid contributions; (22.12.2006/1274)
- 3) to the pension provider as recovery of a pension which has been paid without due cause, pursuant to section 126 (22.12.2006/1274)
- 4) to the employer or the contributory sickness fund under section 117; (22.12.2006/1274)
- 5) to the unemployment fund or the Social Insurance Institution under section 120 subsection 4; (22.12.2006/1274) (22.12.2006/1274)
- 6) to the Social Insurance Institution under section 120 subsections 1 or 2; (22.12.2006/1274)
- 7) to the institution as referred to in the Social Welfare Act under section 119 subsection 1; (22.12.2006/1274)
- 8) to the municipality or federation of municipalities under section 119 subsection 2; (22.12.2006/1274)
- 9) to the Social Insurance Institution under section 120 subsection 5; (22.12.2006/1274)
- 10) to the Finnish Patient Insurance Centre under section 9 of the Treatment Injuries Act (585/1986);
- 11) to the provider of the EU or EEA country, the unwarranted payment of pension under section 72 subsection 2 of Council Regulation (EEC) No 574/72 on the implementation of the EC Regulation on social security; (14.5.2010/354)
- 12) to the enforcement authority under Chapter 4, section 2 of the Enforcement Code (705/2007); (30.12.2008/1097)
- 13) to the provider of the EU or EEA country, the unwarranted payment of a benefit other than pension under Article 72 subsections 1 and 3 of Council Regulation (EEC) No 574/72 on the implementation of the EC Regulation on social security; (14.5.2010/354)
- 14) to the institution of the countries party to a social security agreement pursuant to the agreements, the unwarranted payment of pension or other benefit in accordance with the provisions of the social security agreement; and
- 15) to the institution as referred to in the Social Welfare Act under section 122.

## Section 124

### *Transfer or pledging of the pension*

The pension must not be transferred to another person. Any agreement that refers to pledging the pension is void.

Reimbursements of costs under this Act are not distrainable.

### Section 125

#### *Statute-barring of the pension*

The pension entitlement becomes statute-barréd in five years from the date when the pension should have been paid, unless the limitation period has been interrupted before that. A new limitation period of five years starts from the interruption of the limitation period. The statute-barring is interrupted as provided in section 10 or 11 of the Act on Limitations for Debts (728/2003). The limitation period may be extended as provided in section 11 subsection 3 of the Act on Limitations for Debts.

### Section 126

#### *Recovery of unduly paid pension*

If the pension has been paid to a greater amount than that to which the recipient is entitled, the pension provider shall recover the unduly paid pension.

The pension provider may waive the recovery of the unduly paid pension, either fully or in part, if this is considered reasonable and if the payment of the pension has not been due to the deceitful behaviour of the pension recipient or his or her representative. The pension provider may also waive the recovery of the unduly paid pension if the amount to be recovered is small.

The provisions of subsections 1 and 2 shall also apply when the pension provider, when acting as the private-sector competent pension provider or as the last pension provider as referred to in section 107, has paid the pension under the private-sector pension acts without grounds. If the last pension provider has paid the pension under the Public Sector Pensions Act without grounds, Keva shall decide on the recovery as provided in the relevant act. The last pension provider issues a summary of the decisions regarding the pensions to be recovered and recovers the amount to be recovered. (29.1.2016/69)

The decision on the recovery of the unduly paid pension shall be made within five years of the date of payment of the pension. The receivables confirmed through the decision on the recovery fall under the statute of limitations within five years of issuing the decision, unless the limitation period has been interrupted before that. The limitation period of the receivables confirmed through the recovery decision is interrupted as provided in sections 10 or 11 of the Act on Limitations for Debts. A new limitation period of five years starts from the interruption of the limitation period. The limitation period of five years may be extended as provided in section 11 subsection 3 of the Act on Limitations for Debts.

### Section 127

#### *Set-off of unduly paid pension*

The pension provider may also recover the pension it has paid without due cause by setting it off against future pension payments. Without the pension recipient's consent, a maximum of one-sixth of the share of the pension payment which remains after tax withholding pursuant to the Act on the Prepayment of Tax (1118/1996) has been applied to the pension payment may be deducted from the payable pension payment. (22.12.2006/1274)

If the last pension provider referred to in section 107 recovers the amount to be recovered through a setoff, the pension payment referred to in subsection 1 is considered to be the total amount of the pension payments payable by the last pension provider.

## **Chapter 9 Appeals**

### Section 128 (25.8.2016/701)

## *Appealing*

Appeals can be made through the Pension Appeal Court and the Insurance Court. Provisions on the Pension Appeal Court and its members are given in the Act on the Pension Appeal Court (677/2005) and provisions on the Insurance Court in the Courts Act (673/2016). The Government appoints the members to the Pension Appeal Court for a maximum period of five years at a time on a proposal of the Ministry of Social Affairs and Health. The members are familiar with the employment and labour market conditions, and at least four of them shall be nominated on the proposal of the most representative central organisations of the employer organisations and at least four on the proposal of the most representative central organisations of the blue-collar and white-collar workers' trade unions.

The party involved may appeal against a decision given under this Act by a pension provider or the Finnish Centre for Pensions to the Pension Appeal Court as provided in this Act and in the Administrative Judicial Procedure Act (586/1996).

The party involved may appeal against the decision given in an appeal by the Pension Appeal Court to the Insurance Court as provided in this Act and in the Administrative Judicial Procedure Act.

The decision of the Finnish Centre for Pensions concerning the pension provider competent to process the pension claim as referred to in section 111 subsection 1 cannot be appealed.

### Section 129 (29.1.2016/69)

#### *Appealing against the summary of decisions of the last pension provider*

The summary of decisions issued by the pension provider acting as the last pension provider as referred to in section 107 is governed by the provisions on decisions in this Chapter. If the pension provider's decision is included in a summary of decisions issued by Keva acting as the last pension provider, the decision is appealed and the appeal is heard as provided in the Public Sector Pensions Act.

### Section 130

#### *Period for appeal*

The period for appeal is 30 days from the date when the party involved was served the decision of the pension provider, the Finnish Centre for Pensions or the Pension Appeal Court. The party involved is considered to have been served the decision on the seventh day after the date when the decision was mailed to the address stated by the party involved, unless proven otherwise in connection with the appeal.

### Section 131

#### *Material appeal concerning debiting*

The party involved may lodge a material appeal concerning the debiting if the party finds that the debiting imposed under this Act by the pension provider or the Finnish Centre for Pensions, or the employer's withholding of the employee's pension contribution under sections 152 or 154, has been contrary to law or to the agreement. The material appeal shall be made in writing and it shall be filed with the Pension Appeal Court at the latest within two years from the beginning of the year following the year during which the receivables were imposed or debited.

If a material appeal is lodged as a result of distraint, the provisions on the material appeal in the Act on the Implementation of Taxes and Charges (706/2007) shall also be applied. (7.12.2007/1164)

### Section 132

#### *Submitting the petition of appeal*

The party involved shall submit the petition of appeal within the period for appeal to the pension provider that made the decision subject to appeal. If a decision of the Finnish Centre for Pensions is being appealed, the petition of appeal shall be submitted to the Finnish Centre for Pensions. The petition of

appeal concerning a decision made by the Pension Appeal Court shall be submitted to the pension provider that made the decision in the matter or to the Finnish Centre for Pensions.

### Section 133

#### *Rectification of the decision in connection with appeals*

The pension provider that issued the decision subject to appeal or the Finnish Centre for Pensions investigates whether it can itself rectify the decision. If the pension provider or the Finnish Centre for Pensions accepts the claims stated in the petition of appeal in every respect, it shall issue a rectified decision in the matter. The rectified decision may be appealed as provided in this Chapter.

The pension provider that has given the summary of decisions as the last pension provider shall ask Keva for a statement before the matter is processed, insofar as the appeal concerns pension provision handled by Keva. No statement is requested, however, if the appeal solely concerns the assessment of work ability.(29.1.2016/69)

If all the pension providers whose decisions the appeal concerns accept the appellant's claims, the last pension provider gives a new, rectified summary of decisions. The last pension provider gives a new, rectified summary of decisions also when the appeal regarding the summary of decisions only concerns the assessment of work ability and the private-sector pension provider as the last pension provider accepts the claims stated in the appeal submitted to it. A summary of decisions rectified in this manner may be appealed as provided in this Chapter.

If the pension provider, the last pension provider or the Finnish Centre for Pensions rectifies its previous decision only in part, it shall give an interim decision on the matter. Temporary decisions cannot be appealed.

### Section 134

#### *Transfer of appeals to the appellate body*

If the pension provider or the Finnish Centre for Pensions does not accept the appellant's claims in every respect, it shall forward the petition of appeal as well as its statement on the appeal within 30 days of the end of the period for appeal to the Pension Appeal Court. If the appeal concerns a decision of the Pension Appeal Court, the pension provider or the Finnish Centre for Pensions shall submit the petition of appeal and its statement to the Insurance Court within the time period mentioned.

If the pension provider or the Finnish Centre for Pensions accepts the claims stated in the appeal, either fully or in part, after the petition of appeal has been submitted to the appellate body, the pension provider or the Finnish Centre for Pensions may give an interim decision on the matter. The appellate body shall be informed about the interim decision without delay. Temporary decisions cannot be appealed. The pension provider or the Finnish Centre for Pensions may deviate from the time limit stated in subsection 1 if obtaining further clarification necessary for processing the appeal so requires. In this case, the appellant shall be notified without delay of the obtaining of further clarification. However, the petition of appeal and the statement shall be submitted to the relevant appellate body at the latest within 60 days of the end of the period for appeal.

If the pension provider, as the last pension provider, has requested the statement referred to in section 133 subsection 2 from Keva and it does not correct its decision in line with the claims of the appellant, the pension provider shall submit the petition of appeal and the statements concerning the petition to the appellate body referred to in subsection 1 within 60 days of the end of the period of appeal.(29.1.2016/69)

### Section 135

#### *Appeals which arrive after the period for appeal*

If the appeal to the Pension Appeal Court or the Insurance Court arrives at the relevant pension provider or the Finnish Centre for Pensions or the Pension Appeal Court or the Insurance Court after the time limit referred to in sections 130 and 131, the appeal may nevertheless be taken up for consideration, if there is a weighty reason for the delay.

## Section 136

### *Enforcement of the decision*

The decision of the pension provider or of the Finnish Centre for Pensions shall be complied with irrespective of the appeal, until the matter has been settled through a legally valid decision. The legally valid decision of the pension provider, the Finnish Centre for Pensions and the Pension Appeal Court may be enforced in a similar manner to a legally valid judgement in a civil case.

## Section 137

### *Correction of a clerical or calculation error*

The pension provider and the Finnish Centre for Pensions shall correct obvious clerical or calculation errors, or other comparable obvious errors in the decision it has issued. However, the error shall not be corrected if the correction leads to an unreasonable outcome for the party involved.

## Section 138

### *Correction of factual errors*

The pension provider or the Finnish Centre for Pensions may nullify its incorrect decision and decide on the matter again, if the decision of the pension provider or the Finnish Centre for Pensions is clearly based on faulty or deficient information, clearly incorrect implementation of the law or a procedural error has occurred when making the decision.

The pension provider or the Finnish Centre for Pensions shall not change its decision or nullify its decision to the detriment of the party involved, unless the party involved has consented to this.

## Section 139

### *Correction of a legally valid decision on the basis of new information*

If new information is obtained in the matter, the pension provider shall re-investigate the matter decided through a legally valid decision. In this instance, notwithstanding the previous legally valid decision, the pension provider may grant a pension which had been denied or adjust a pension that has been granted already to a greater amount. The Pension Appeal Court and the Insurance Court may also follow the same procedure when considering an appeal. This kind of decision can be appealed as provided in sections 128–130.

## Section 140

### *Nullifying a legally valid decision*

If a legally valid decision given pursuant to this Act by the pension provider is based on inaccurate or deficient information or is clearly contrary to the law, the Pension Appeal Court may, on the request of the party involved or the pension provider, nullify the decision and refer the matter to be re-examined. The same applies, on the request of the party involved or the Finnish Centre for Pensions, to a legally valid decision issued pursuant to this Act by the Finnish Centre for Pensions. The Pension Appeal Court shall reserve an opportunity for the parties involved to be heard before deciding on the matter. The decision issued by the Pension Appeal Court may not be appealed. (17.6.2011/678)

If a legally valid decision issued pursuant to this Act by the Pension Appeal Court or by the Insurance Court is based on inaccurate or deficient information or is clearly contrary to the law, the Insurance Court may, on the request of the party involved or the pension provider, nullify the decision and refer the matter to be re-examined. The Insurance Court shall reserve an opportunity for the parties involved to be heard before deciding on the matter. (22.12.2006/1314)

If the pension provider demands to nullify the decision, the pension provider may interrupt the payment of the pension or pay the pension according to its demand until the matter has been settled again.

The nullification of the decision shall be applied for within five years of the date when the decision became legally valid. The decision may also be nullified on an application made after the time limit for especially weighty reasons. (22.12.2006/1314)

The hearing referred to above in subsections 1 and 2 is notified as regulated in section 59 of the Administrative Procedure Act (434/2003). (17.6.2011/678)

Section 140 a (17.6.2011/678)

*Issuing a new decision based on a primary benefit or other pension granted retroactively*

If the pension recipient, after a decision has been issued, has been granted a primary benefit or pension retroactively as referred to in section 94 or a pension as referred to in section 91 subsection 3, the pension provider can issue a new decision on the matter, without withdrawing the decision or without the consent of the interested party.

PART III

PROVISIONS ON INSURANCE AND THE DIVISION OF COSTS

## **Chapter 10**

### **Arranging pension provision and the pension contribution**

#### **Arranging pension provision**

Section 141

*The employer's obligation to arrange pension provision for the employee*

The employer shall arrange pension provision for the employees referred to in sections 4, 5 and 7 during the month following the payment of the wage if the employer has paid the employee the earnings referred to in section 270 or 72 to an amount of at least EUR 41.89 per month.

The employer shall arrange pension provision for the employees:

- 1) with a pension insurance company;
- 2) with an industry-wide pension fund by establishing an industry-wide pension fund in the manner referred to in the Insurance Funds Act, or by joining an industry-wide pension fund as partner within the sector where the employer operates; or
- 3) with a company pension fund by establishing a company pension fund in the manner referred to in the Company Pension Funds Act or by joining a joint company pension fund which the employer may join under the Company Pension Funds Act.

The employer may arrange pension provision for its employees with two or more pension providers, provided that the employee groups included in each pension arrangement are defined sufficiently clearly.

Section 142

*Arranging pension provision by taking out insurance with a pension insurance company*

When the employer arranges pension provision for its employees by taking out insurance with a pension insurance company, the employer shall submit an application for insurance to the chosen pension insurance company during the month following the payment of the wages. On the acceptance of the application for insurance, an insurance contract is established between the pension insurance company and the employer. More detailed provisions on the arranging of pension insurance are issued in the insurance terms and conditions confirmed by the Ministry of Social Affairs and Health.

Section 143

*The granting and termination of insurance*

The pension insurance company shall grant and maintain in force the insurance policy applied for from the insurance company. However, the pension insurance company may terminate the insurance policy without following any specific notice procedure if the employer has not reported by the end of January

that it has paid the wages covered by this Act during the preceding calendar year. In this case, the pension insurance company shall ensure that the employer is no longer obligated to take out pension insurance.

The employer terminates the insurance policy by giving notice in writing at least three months before the date of termination of the insurance policy in the manner determined in more detail in the insurance terms and conditions. However, the insurance policy may not end as a consequence of the notice of termination until a period of at least one year has elapsed from the start of the insurance policy. The notice of termination of the insurance policy does not release the employer from the obligation to take out pension insurance under this Act. (22.12.2006/1274)

#### Section 144

##### *Notifications to be made for handling insurance*

The employer that has concluded an insurance contract shall report to the pension insurance company, within the time limit set out in the insurance contract, the employer's identification data, the names, personal identity codes and salary information of the employees working under an employment contract covered by this Act as provided in more detail through Government decree.

The obligation to notify also concerns employers who have arranged pension provision for employees with an industry-wide pension fund or a company pension fund.

#### Section 145

##### *Correcting data on the date of commencement and termination of the employment contract*

The provisions of the Personal Data Act (523/1999) are applied with respect to the controller's obligation to correct inaccurate data.

#### Section 146

##### *Requirement of the employer to make monthly notifications and contribution payments*

If the employer has neglected its obligations pursuant to this Act, a Government decree or the insurance contract to make notifications and contribution payments, the pension insurance company may order the employer that has concluded the insurance contract to report the information referred to in section 144 and to pay the pension contribution based on the reported data monthly. The same rule applies when the employer has arranged pension provision for its employees with an industry-wide pension fund or a company pension fund.

#### Section 147

##### *Occasional employer*

An employer who:

- 1) does not employ any employees on a continual basis; and
- 2) whose wages paid to employees with fixed-term employment contracts over a six-month period do not exceed EUR 6,000 in total, may arrange pension provision for the employees with a pension insurance company without filing an insurance application. In that case, the employer shall report the employer's identification data, the employee's name, personal identity code and salary information to the pension insurance company chosen by the employer and pay the pension contribution based on the reported wage by the 20th of the month following the month of the payment of the wages (occasional employer).

More detailed provisions on the occasional employer's obligation to notify and payment of the pension contribution referred to in subsection 1 are issued through Government decree.

#### Section 148

##### *Provision of information on the pension provider*

The employer shall inform the employee about the pension provider with whom the employer has arranged pension provision for its employees pursuant to this Act.

Section 149 (29.10.2010/909)

Requirements for exempting a foreign employer from the obligation to take out insurance

The Finnish Centre for Pensions may, on application, exempt a foreign employer from the obligation to arrange pension provision pursuant to this Act for an employee whom this employer sends to work in Finland for a period longer than two years or whose work in Finland as a posted worker continues for unexpected reasons for more than two years. The exemption is granted for a maximum of five years from the start of the employment in Finland.

The prerequisites for exemption from the obligation to insure a posted employee include:

- 1) the employee is not subject to Finnish legislation based on the provisions of the EU social security regulation or a social security agreement
- 2) the employee is not subject to Finnish social security legislation immediately before starting to work in Finland; and
- 3) the employer has arranged pension provision for the employee for the period of work in Finland.

The employer must present a clarification of the pension provision referred to in subsection 2 paragraph 3.

Section 150

*Insurance for an employee who is going to work abroad*

A Finnish employer shall arrange insurance pursuant to this Act for the employee referred to in section 5, subsections 1 and 2. However, if the employer proves that pension provision has been arranged in some other way for the groups of employees referred to in section 5 subsection 2 so that the pension provision as a whole may be considered as corresponding to pension provision pursuant to this Act, the Finnish Centre for Pensions may, on application, exempt the employer from the obligation to take out insurance for the employees belonging to such a group for the period of the employment abroad that has continued for more than two years. The exemption is granted at the earliest from the beginning of the calendar year during which it has been applied for.

A Finnish employer may arrange pension provision under this Act for an employee who is sent from Finland (posted employee) to work:

- 1) in a Group company which is part of the same economic entity as the Finnish company, even if the employment relationship with the Finnish employer is not maintained;
  - 2) in some other company where the Finnish company exercises power of decision, even if the employment relationship with the Finnish employer is not maintained; or
  - 3) in a country where the EU Regulation on social security or a social security agreement is applied also in situations where the employee's employment relationship with the Finnish sending employer is maintained and the employee's pension provision is, as a consequence of the provisions of the Regulation or the social security agreement, arranged in the country of employment
- (14.5.2010/354)

In addition, the Finnish employer may arrange pension provision pursuant to this Act for an employee hired abroad (locally hired employee), if the employee is employed by:

- 1) the Finnish employer;
- 2) a Group company which is part of the same economic entity as the Finnish company; or
- 3) a company where the Finnish company exercises power of decision.

The employee shall be covered by Finnish social security legislation when the employment referred to in subsection 2 or subsection 3 starts.

The employer may arrange pension provision under subsections 2 and 3 for the employee even if mandatory pension provision is arranged for the employee in a country where the EU Regulation on social security or a social security agreement is applied. (14.5.2010/354)

If the employer arranges pension provision under subsection 1 after two years or pension provision under subsection 2, 3 or 5, the pensionable earnings may be set at a lower amount than would otherwise be the case under this Act, provided that other pension provision has been arranged for the employee for the same work.

## Section 151

### *Employer's right to obtain a decision on the earnings on which the insurance is based*

At the request of the employer, the pension provider shall give a decision on whether the wage or other remuneration payable to the employee constitutes earnings on the basis of which the employer has to arrange pension provision pursuant to this Act. The decision is given by the pension provider with whom the employer has arranged or is about to arrange pension provision pursuant to this Act for the employees.

## Pension contribution

## Section 152

### *Pension contribution*

The pension contribution levied in order to finance pension provision pursuant to this Act consists of the employer's contribution and the employee's contribution.

The employer withholds the employee's pension contribution from the wage paid to the employee (earnings from work) in connection with the payment of the wages and pays the pension contribution in its entirety to the pension provider with whom the employer has arranged pension provision for its employees pursuant to this Act. The employer's obligations towards the pension provider also include the employee's share of the pension contribution. More detailed provisions on the withholding of the employee's pension contribution are given by Government decree.

The employee's pension contribution is also withheld from the supplementary daily allowance awarded by a contributory sickness fund, as referred to in the Insurance Funds Act, and from the wage paid by some other substitute payer.

The earnings that the pension contribution is based on are determined in accordance with sections 70 and 72.

When earnings-related pension insurance has been taken out:

- 1) with a pension insurance company, the pension contribution is determined according to the calculation criteria set out in section 166;
- 2) with an industry-wide pension fund, the pension contribution is determined according to the calculation criteria set out in section 166 and the rules of the industry-wide pension fund; or
- 3) with a company pension fund, the pension contribution, i.e. the contribution to the pension fund, is determined according to the Company Pension Funds Act and the rules of the company pension fund.

## Section 153 (11.11.2016/945)

### *Amount of the employee's pension contribution*

The employee's pension contribution amounts to 4,2 per cent, increased by half of the percentage by which the average pension contribution for insurance pursuant to this Act, as a percentage of the wage, exceeds the figure 18.2. The average pension contribution is calculated taking into account the reductions in the contribution referred to in section 169 subsection 3.

The employee's pension contribution percentages to be applied the following year are issued in a decree of the Ministry of Social Affairs and Health.

## Section 154

### *Retroactive withholding of the employee's pension contribution*

If, due to an obvious error, the employee's pension contribution has not been withheld in connection with the payment of the wages, the employer may withhold the contribution that was not withheld in connection with the previous wage payment at most in connection with the following two wage payments.

If, in connection with the wage payment, the employee has not been paid wages that are sufficient for withholding the employee's pension contribution and the employee still accrues pension rights, the employer may withhold the employee's pension contribution within one year, in connection with the following wage payments.

#### Section 155

##### *Exemption from retroactive payment of the pension contribution*

If the employer, due to changes in legal praxis or some other comparable reason, is liable to arrange insurance pursuant to this Act for a retroactive period for an employee whose employment contract has not previously been considered to be covered by this Act, the Finnish Centre for Pensions may, on application by the employer, exempt the employer fully or in part from the obligation to pay pension contributions for the period before such a reason occurred.

#### Section 156

##### *Co-owner's or partner's responsibility for pension contributions*

If the employer is an organization or corporation, the obligations of which the co-owner or partner is responsible for as they would be for his or her own debt, the co-owner or partner is also responsible for the organization's or corporation's pension contributions.

#### Section 157

##### *Responsibility of a bankrupt estate for pension contributions*

If an employer who has taken out insurance pursuant to this Act is declared bankrupt, the employer's rights and obligations based on this insurance are transferred from the start of the bankruptcy to the bankruptcy estate. The pension contributions for the period of bankruptcy are paid by the bankruptcy estate.

#### Section 158

##### *Statute-barring of pension contributions*

The pension provider shall impose the pension contribution based on this Act within five years of the due date of the pension contribution under the insurance terms and conditions or the regulations or, in the case of a temporary employer who has arranged pension provision in the manner referred to in section 147, from the beginning of the year following the year of the wage payment.

If pensionable earnings more than five years old are retroactively added to the employee's earnings on the basis of the employee's clarification in the manner referred to in section 75 b subsection 2 or on some other grounds, the pension provider shall debit the pension contribution on the basis of these earnings within ten years of the date when the pension contribution for the employment contract in question would have fallen due according to the insurance terms and conditions. However, the pension contribution for a temporary employer shall be debited within ten years of the beginning of the year following the year of the wage payment. (30.12.2008/1097)

#### Section 159 (7.11.2014/882)

##### *Distrainability of the pension contribution*

The pension contribution imposed by the pension provider pursuant to this Act and the increased pension contribution referred to in section 163 and in section 186 subsection 5, including penalty interest, may be directly enforceable. The recovery proceedings of these receivables are regulated in the Act on Collection of Taxes and Charges. The recovery proceedings of receivables are also regulated in the Act on Debt Collection (513/1999).

#### Section 160

### *Restitution of unduly paid pension contribution*

If the employer has reported monthly earnings of less than EUR 41.89 to the pension provider, these earnings accrue pension rights, notwithstanding the provisions in section 4 subsection 3 paragraph 1. On the application of the employer, the pension contribution paid for monthly earnings of less than EUR 41.89 is restituted to the employer, but not, however, for a longer period than the current and the immediately preceding calendar year. In this case, the employer shall retribute the employee's share of the contribution to the employee. The earnings on which the restituted pension contributions were based do not accrue pension rights.

### Section 161

#### *Restitution of employee's unduly withheld pension contributions*

The employer shall, on the employee's request, retribute to the employee the employee's pension contributions which the employer has withheld without due cause or the share of the contribution which exceeds the employee's pension contribution under the Act. The employee's pension contributions which have been withheld from monthly earnings of less than EUR 41.89 are not restituted to the employee if the employee accrues pension rights on the basis of these monthly earnings in the manner referred to in section 160.

### Section 162

#### *Statute-barring of the restitution of unduly paid pension contributions and the employee's pension contributions*

The restitution of unduly paid pension contributions and the employee's pension contributions becomes statute-barred within five years of the payment date of the pension contribution or the date of withholding the employee's contribution, unless the statute-barring has been interrupted before that. The limitation period is interrupted as provided in section 10 or 11 of the Act on Limitations for Debts. A new limitation period of five years starts from the interruption of the limitation period. The limitation period of five years may be extended as provided in section 11 subsection 3 of the Act on Limitations for Debts.

### Section 163

#### *Increase for neglect*

The pension provider may impose on the employer, on the basis of an estimate, a pension contribution which has been increased to a maximum of twofold and which may be considered reasonable, if the employer fails to:

- 1) arrange pension provision pursuant to this Act within the time limit referred to in section 141 subsection 1;
- 2) report the data referred to in section 144 subsection 1 or in section 146 within the time limit referred to in the relevant section of law; or
- 3) report the data referred to in section 147 within the time limit referred to in the said section of law.

When imposing the increased contribution for the period of the failure as referred to in subsection 1, paragraphs 1–3, the factors taken into account are the length of the period of failure, the recurrence of the failure and other comparable factors relating to the assessment of the blameworthiness of the failure. At the request of the employer, the pension provider shall give the employer an appealable decision on the increased contribution.

### Section 164 (18.1.2013/42)

#### *Penalty interest on the pension contribution*

If the employer has failed to pay the pension contribution within the time limit specified under this Act, the insurance terms and conditions or the regulations of the industry-wide pension fund or company

pension fund, the employer shall pay penalty interest to the pension provider according to the interest rate referred to in section 4 subsection 1 of the Interest Rate Act for the period of delay to the payment.

## **Chapter 11**

### **Pension insurance terms and conditions and calculation criteria**

#### Section 165

##### *Terms and conditions of pension insurance*

The pension insurance company shall apply for confirmation of the insurance terms and conditions for pension insurance referred to in section 142 from the Ministry of Social Affairs and Health. The rules of a company pension fund and an industry-wide pension fund shall contain the necessary provisions for the implementation of pension provision.

#### Section 166

##### *Calculation criteria for the contributions, technical provisions and pension liability*

A pension insurance company and an industry-wide pension fund shall apply for the confirmation of the calculation criteria for the contributions and the technical provisions from the Ministry of Social Affairs and Health.

The Ministry of Social Affairs and Health issues the calculation criteria for the pension liability of company pension funds by decree.

#### Section 167

##### *Uniformity of the terms and conditions and the calculation criteria*

The Ministry of Social Affairs and Health shall not, without special reason, confirm differences in the terms and conditions of pension insurance or in the calculation criteria which hamper the implementation of this Act or the handling of matters common to the pension providers.

#### Section 168

##### *Drawing up the calculation criteria*

The calculation criteria for the contributions, the technical provisions and the pension liability shall be drawn up primarily taking into account the safeguarding of the employees' and pension recipients' benefits insured under this Act, and the provisions in sections 174–182 as well as under section 5 of the Act on the Finnish Centre for Pensions regarding the division of the liability and other costs arising from the pensions. In addition, in order to cover the costs referred to in sections 178–181 as well as in section 5 of the Act on the Finnish Centre for Pensions, which are financed jointly, a method of advance funding may be used. (30.11.2007/1112)

The calculation criteria for the technical provisions and the pension liability shall include the grounds for the equity linked buffer fund. The calculation criteria shall be drawn up so that the equity-linked buffer fund may reduce the pension provider's technical provisions or pension liability by a maximum amount corresponding to 20 per cent of the technical provisions referred to in this Act. From said technical provisions, the following have already been deducted: the equalization amount referred to in section 14 subsection 2 of the Pension Insurance Companies Act and the provision for bonuses and losses appropriated to the policyholders, the equalization amount referred to in section 79 subsection 2 of the Insurance Funds Act. The equity-linked buffer fund shall be of the same size in relation to the aforesaid technical provisions for each pension provider. The basis for the annual change to the equity-linked buffer fund is the proportion of the average annual rate of return on equities of one-fifth of the aforesaid technical provisions or pension liability. The adjustment for the annual change is made before the possible deduction following from the application of sections 170 and 171. The calculation criteria shall include an annual clearing between the pension providers of the proportional share of the equity-linked buffer fund as

part of the division of costs under section 179. If the equity-linked buffer fund does not reach the aforementioned lower limit of 20 per cent after the clearing, the deficit is covered by reducing each pension provider's unallocated insurance reserve or provision for future bonuses and losses. (29.1.2016/69)

The average annual rate of return on equities means the average annual rate of return on the investments of the pension providers pursuing activities under this Act and the Seafarer's Pension Fund which are classified in investment category IV, subcategory 1, referred to in section 6 of the Act on the Calculation of the Pension Provider's Solvency Border and the Covering of the Technical Provisions, reduced by one percentage point. When calculating the average annual rate of return, an individual pension provider's share of the investments referred to above may amount to a maximum of 20 per cent. The average annual rate of return is calculated by the Finnish Centre for Pensions on the basis of the data reported by the pension providers. (20.3.2015/316)

#### Section 169

##### *Calculation criteria of the contributions payable to the pension insurance companies*

The calculation criteria of the contributions payable to the pension insurance company shall state how the contributions are calculated and how the contribution is divided into components levied for different types of costs. The calculation criteria may be drawn up so that the employer's realised expenditure for disability pensions and rehabilitation allowances is taken into account when determining the contribution.

When determining the size of the contribution of the pension insurance companies, the pension insurance company's share of the costs stated in sections 178–181 and in section 5 of the Act on the Finnish Centre for Pensions, which are to be financed jointly, is taken into account annually. (30.11.2007/1112)

When earnings-related pension insurance has been taken out with a pension insurance company, the employer is entitled to a share of the surplus possibly generated by the insurance business. The calculation criteria for contribution reductions or other benefits following from this surplus shall be drawn up so that the total amount of the surplus and the way the surplus was generated are taken into account to a reasonable extent. The reductions to the contributions and other comparable benefits shall not put at risk the meeting of the solvency requirements laid down in chapter 7 of the Pension Insurance Companies Act.

The provisions of subsection 3 shall not apply to temporary employers, who have arranged pension provision for their employees in the manner referred to in section 147.

#### Section 170

##### *Changing the calculation criteria for the technical provisions*

If the calculation criteria for the technical provisions or for the pension liability are changed due to requirements of section 168, so that the amount of liability arising from pensions and accrued pension rights increases, the costs arising from this increase are included in the costs that are referred to in section 179 and which are financed jointly by the pension providers. However, if the change concerns the calculation criteria for the technical provisions or pension liability to be calculated for old-age pensions, the costs arising from the change are primarily covered by reducing the amount of the equity linked buffer fund referred to in section 168 subsection 2, or assets which otherwise would have to be used to increase the funding referred to in section 171. (8.12.2006/1121)

If the calculation criteria for the technical provisions or the pension liability are changed so that the amount of liability arising from pensions and accrued pension rights decreases, the available assets are used to cover costs referred to in section 179.

#### Section 171

##### *Supplementing old-age pension liability (8.12.2006/1121)*

The funded components of the old-age pensions are supplemented annually in order to increase the funding by an amount which is calculated using the pension liability supplementary coefficient, which is

to be included in the calculation criteria under section 166. The supplementary coefficient shall be determined taking into account the requirements resulting from the need to safeguard the pensions as well as the solvency of the pension providers. (11.3.2011/220)

If the total amount of the pension providers' equity-linked buffer funds is larger than one per cent of the total amount of their technical provisions or pension liabilities referred to in section 168 subsection 2, the share in excess shall be used to supplement the funded components referred to in subsection 1 of this section. (29.1.2016/69)

The supplementation referred to in this section may be allocated differently to the funded components of the future and commenced old-age pensions of different age groups so that, in the long term, the development in the contribution level is even. (8.12.2006/1121)

The assets intended for the supplementation pursuant to subsections 2 and 3 above may be used to cover the costs referred to in section 170 arising from changes to the calculation criteria for the technical provisions or the pension liability calculated for the old-age pensions. (8.12.2006/1121)

## Section 172

*Cooperation between the pension providers when preparing the insurance terms and conditions and the calculation criteria*

The pension providers shall cooperate in the preparation of insurance terms and conditions, model rules, and calculation criteria in order to achieve the objective laid down in section 167.

## Chapter 12

### Division of costs between the pension providers

#### Section 173 (30.12.2013/1209)

*Pension providers' mutual liability for pensions and the costs for rehabilitation*

Each pension provider is responsible for the part of the pension and rehabilitation allowance pursuant to this Act which has been funded with the said pension provider in accordance with sections 174–176. In other respects, the pension providers assume joint liability for the costs arising from the pensions.

#### Section 174 (29.1.2016/69)

*Pension provider's liability for the old-age pension*

Each pension provider assumes liability for:

- 1) the part of the employee's and pension recipient's old-age pension which is based on the employee's work before the end of the month preceding the month marking the start of old-age pension and which corresponds to an annual accrual rate of 0.4 per cent, using 65 years as the retirement age, or, if the share of old-age pension is based on work occurring after the employee's 65th birthday, the age of the employee during the year the work took place, and calculated according to the calculation criteria confirmed or issued by the Ministry of Social Affairs and Health. However, the pension provider's liability does not include increases arising from the adjustment of annual earnings in line with the wage coefficient under section 96 or an index adjustment under section 98 carried out after the start of the pension, together with changes arising from the application of the life expectancy coefficient;
- 2) the amount that has been transferred to the component which the pension provider is responsible for pursuant to section 171 and the calculation criteria confirmed or issued by the Ministry of Social Affairs and Health; and
- 3) the amount which has separately been transferred to the old-age pension component which the pension provider is responsible for in order to increase the funded component.

#### Section 175 (14.8.2009/627)

*Pension provider's liability for the disability pension*

The costs for a disability pension, whereby the total amount of the insured person's earnings pursuant to this Act and the Seafarer's Pensions Act for the last two years of the reference period under section 76 is at least EUR 12,566.70, are the liability of each pension provider with whom the insured person has been covered during the aforementioned calendar years. The pension provider is liable for the costs to the same proportion as the share of the earnings pursuant to this Act insured with the pension provider in question of the total amount of the corresponding earnings under the pension acts stated in section 3 and the earnings referred to in section 74 and section 76 subsection 2 for the said calendar years. The pension provider is not liable for the disability pension insofar as the earnings covered by this Act that are insured with the pension provider, with respect to a temporary employer as referred to under section 147 of this Act, or the same insurance policy of other employers, do not exceed the limit of EUR 2,094.45 during the said two calendar years. (21.12.2010/1192)

The pension referred to above in subsection 1 also includes the pension component referred to in sections 153 subsections 2 and 3 of the Seafarer's Pensions Act which is granted on the basis of that Act. (21.12.2010/1192)

The pension provider's liability does not, however, include:

- 1) the rehabilitation increment under section 30;
- 2) the pension component accrued for unpaid periods referred to in section 74;
- 3) the increase arising from an index adjustment under section 98 carried out after the start of the pension; and also
- 4) a lump sum increase in the disability pension under section 81.

(21.12.2010/1192)

#### Section 176

##### *Pension provider's liability for rehabilitation allowance and other rehabilitation costs*

The pension provider's liability for the rehabilitation allowance is equal to the pension provider's liability determined in the manner referred to in section 175 for the disability pension to which the insured person would be entitled if the person had become incapable of work to an extent giving entitlement to a disability pension at the point in time referred to in section 28.

The pension provider that provides the rehabilitation is solely liable for the costs relating to rehabilitation other than those arising from the cash rehabilitation benefit and rehabilitation allowance.

#### Section 177

Section 177 has been repealed by the Act 30.12.2013/1209, which entered into force on 1 January 2014.

#### Section 178 (22.12.2011/1427)

##### *Pension provider's liability for the pension component accrued for unpaid periods*

The pension component accrued for unpaid periods referred to in section 74 is the joint liability of the pension providers handling pension provision under the pension acts stated in section 3 and in proportion to the earnings insured with the pension provider in question. The criteria for the pension providers' possible preliminary contribution and final contribution, which are applied for by the Finnish Centre for Pensions, as well as the due dates for these contributions are included in the criteria for the division of liability as referred to in section 183 subsection 2.

#### Section 179 (29.1.2016/69)

##### *Pension provider's liability for jointly financed benefits*

The pension providers, including the Seafarer's Pension Fund, are jointly liable for the following costs, insofar as they are not covered from other sources:

- 1) other old-age and disability pensions than those referred to in sections 174 and 175, with the exception of the amount payable under sections 154 and 156 of the Seafarer's Pensions Act;

- 2) the components of the pensions and rehabilitation allowances exceeding the amounts under sections 174–176; in this instance the cost for the rehabilitation allowance is considered to be entirely determined pursuant to the pension act on the basis of which the rehabilitation allowance has been granted;
- 3) survivors' pension
- 4) partial old-age pension;
- 5) the rehabilitation increment;
- 6) the costs referred to in section 170 arising from changes to the calculation criteria for the technical provisions and the pension liability;
- 7) the costs arising from the transfers referred to in section 174 subsections 2 and 3;
- 8) the deficit arising from the fact that the employer has been exempted from paying contributions in accordance with section 155;
- 9) the cost components referred to in section 159 subsection 1, paragraphs 1–7 of the Seafarer's Pensions Act that arise from arranging pension provision under the said Act; and
- 10) the years-of-service pension.

The costs listed above in subsection 1, other than those for the rehabilitation allowance, do not include the pension components referred to in section 178.

With the exception of the costs for the old-age pensions paid as a lump sum in connection with a disability pension and the costs under paragraph 8, the pension providers' share of the costs for the old-age pension under subsection 1, paragraphs 1, 2 and 10, are determined in proportion to the assets intended for the financing of the costs that are to be financed jointly. The pension providers' share of the disability pension costs under subsection 1, paragraph 1, the costs other than those for old-age pensions under subsection 1, paragraph 2, the aforementioned costs for old-age pension paid as a lump sum in connection with a disability pension under section 1, subsections 1 and 2, as well as the costs under subsection 1, paragraphs 3–5 and 10 are determined in proportion to the earnings insured with the pension provider in question. The pension providers' share of the costs under subsection 1, paragraphs 6 and 7 is determined as provided in more detail in the calculation criteria under subsection 4. The pension provider's share of the corresponding costs under subsection 1, paragraph 9, is determined in the same manner as the jointly financed costs under subsection 1. When determining the pension provider's share of said costs, a transfer payment is also taken into account. It has been defined in the Act on Transfer Payment When State Offices, Institutions or State-owned Companies are Converted into Limited Liability Companies (1341/1992).

More detailed provisions on the division of the costs in subsection 1 between the pension providers are issued by way of a decree by the Ministry of Social Affairs and Health. The amounts needed for the division of the jointly financed costs are determined in:

- 1) the pension insurance company's calculation criteria referred to in section 166;
- 2) the calculation criteria which the Ministry of Social Affairs and Health has issued by decree for the industry-wide pension fund; and
- 3) the company pension fund's calculation criteria referred to in section 166.

#### Section 180 (30.11.2007/1112)

##### *Pension providers' liability for the costs of the Finnish Centre for Pensions*

The costs of the Finnish Centre for Pensions is the liability of the pension providers that handle pension provision under the private and public-sector pension acts referred to in section 3 of the Employees Pensions Act, as provided in section 5 of the Act on the Finnish Centre for Pensions.

#### Section 181 (22.12.2006/1292)

##### *Liability in case of a pension provider's bankruptcy*

If, due to the bankruptcy of a pension provider or the Seafarer's Pension Fund, a pension, a rehabilitation benefit, an increase resulting from an index adjustment under section 98 or a registered supplementary benefit as referred to in section 30 a of the Implementing Act of the Employees Pensions Act remains fully or partially unsecured, the pension providers, including the Seafarer's Pension Fund, are

jointly liable for these benefits in proportion to the earnings insured with the relevant pension provider of the Seafarer's Pension Fund. In this case, pension under the Seafarer's Pensions Act means the component of the pension under the Seafarer's Pensions Act, determined in section 153, subsection 2 of the Seafarer's Pensions Act, which corresponds to the pension under this Act. More detailed provisions on the pension providers' and Seafarer's Pension Fund's liability are issued through a decree of the Ministry of Social Affairs and Health. (30.12.2013/1209)

In this case, the pension providers, including the Seafarer's Pension Fund, are also jointly liable for the equalisation amount referred to in section 14 subsection 3 of the Pension Insurance Companies Act or under section 79 subsection 3 of the Insurance Funds Act up to the minimum amount under the calculation criteria confirmed by the Ministry of Social Affairs and Health.

## Section 182

### *Contribution of the Unemployment Insurance Fund*

The Unemployment Insurance Fund, as referred to in the Act on the Financing of Unemployment Benefits (555/1998), pays a contribution to the Finnish Centre for Pensions that is used to cover the liability and costs arising when periods of unemployment and training are taken into account as regards:

- 1) the pension providers referred to in this Act that handle pension insurance for employees;
- 2) the Seafarer's Pension Fund referred to in the Seafarer's Pensions Act;
- 3) the local government pension provider referred to in the Local Government Pensions Act;
- 4) the Central Church Fund, which handles pension provision under the Evangelical Lutheran Church Pensions Act (14.8.2009/634);
- 5) the Social Insurance Institution insofar as it handles pension provision referred to in section 13 of the Act on the Social Insurance Institution;
- 6) the pension provider handling pension provision under the pension regulations issued pursuant to section 11 subsection 2 paragraph 6 of the Act on the Bank of Finland; and
- 7) the Central Fund of the Orthodox Church, which handles pension provision under the pension regulations issued pursuant to the Act on the Orthodox Church.

The contribution of the Unemployment Insurance Fund is based on the earnings of the wage earners insured with the pension providers referred to in subsection 1 on which the benefits referred to in section 74 subsection 3 paragraphs 2, 3 and 6 are based and to which the employee's earnings-related pension contribution component is added reduced by 1,2 percentage points. The contribution of the Unemployment Insurance Fund is determined so that it is estimated to correspond to the amount which would be obtained if a contribution corresponding to the average contribution under this Act were paid for the earnings. (11.11.2016/945)

The Unemployment Insurance Fund shall pay the contribution to the Finnish Centre for Pensions annually within the time limit determined in the criteria for the division of liability. The Finnish Centre for Pensions reimburses the assets received as a contribution to the pension providers mentioned in subsection 1 in proportion to the earnings insured with the pension provider, so that the cost component of the Finnish Centre for Pensions, which is the liability of the pension providers stated in subsection 1, is deducted from the distributed assets before the reimbursement. More detailed provisions on the reimbursement of the contribution are included in the criteria for the division of liability referred to in section

## 183 subsection 2. (22.12.2011/1427)

The contribution of the Unemployment Insurance Fund referred to in subsection 2 is confirmed through a decision of the Ministry of Social Affairs and Health on a proposal of the Finnish Centre for Pensions. The Ministry of Social Affairs and Health may also confirm a preliminary contribution for the Unemployment Insurance Fund on a joint proposal of the Finnish Centre for Pensions and the Unemployment Insurance Fund.

## Section 183

### *Clearing of costs*

The Finnish Centre for Pensions establishes each calendar year how the mutual liability for the costs referred to in sections 174–181 and the contribution of the Unemployment Fund referred to in section 182 of the pension providers implementing the acts under section 3 is divided for the previous calendar year, taking into account what the private and public sector pension providers, when acting as the last pension provider as referred to in sections 107 and 109, have paid in pension or other benefits that are the liability of another pension provider.

On the basis of the clearing, the Finnish Centre for Pensions determines the pension provider's compensation for the costs which are the liability of some other pension provider or the pension providers jointly, or for the contribution referred to in section 182, and determines the pension provider's payment for the costs for which the pension provider assumes liability. The compensation and the payment, with interest, and possible advance payments for their coverage are determined according to the criteria for the division of liability confirmed by the Ministry of Social Affairs and Health on the proposal of the Finnish Centre for Pensions. The criteria for the division of liability also determine how the possible surplus or deficit of the Finnish Centre for Pensions arising in connection with the division of liability is taken into account. (22.12.2011/1427)

The pension providers referred to above in subsection 1 shall report to the Finnish Centre for Pensions the information needed for the clearing referred to in subsection 1 in the form and within time limit determined by the Finnish Centre for Pensions in the manner specified in the criteria for the division of liability. If the pension provider neglects its obligation to report the information, the Finnish Centre for Pensions provides an estimate of the pension provider's share of the costs. The Finnish Centre for Pensions adjusts the share of the costs in connection with the following clearing. (22.12.2011/1427)

If the private-sector pension providers referred to in subsection 1 disagree over the division of costs, the Finnish Centre for Pensions will settle the matter. (22.12.2011/1427)

#### Section 184 (22.12.2011/1427)

##### *Decision on the division of costs*

The Finnish Centre for Pensions issues a decision to the pension providers referred to in section 183, subsection 1 on the division of the costs referred to in said section. This decision may be appealed as provided in Chapter 9.

If the pension provider neglects to pay the stipulated share of costs that it is liable for, or if the Finnish Centre for Pensions neglects to pay the compensation stipulated for the pension provider by the due date stated in the decision, pursuant to subsection 1, an interest for late payment as referred to in section 4, subsection 1 of the Interest Act will be collected. However, the interest rate is not collected for the delay period that is a result of the Finnish Centre for Pensions combining the payments and compensations due to the pension provider. (7.11.2014/882)

#### Section 185 (29.1.2016/69)

##### *Pension provider's right to conclude a contract*

Pension providers handling the pension provision under private sector earnings-related pension acts listed in section 3, subsection 1, and Keva, may, in individual cases or in order to simplify implementation, agree on the division of costs in a manner that differs from that provided in this Chapter. In that case, the principles in this Chapter shall be complied with.

## **Chapter 13**

### **Supervision of insurance**

#### Section 186

##### *General supervision of insurance and enforced insurance*

The Finnish Centre for Pensions oversees that the employer fulfils the insurance obligation pursuant to this Act.

If the employer neglects the obligation laid down in section 141 or section 142 to arrange pension provision for its employees, the Finnish Centre for Pensions shall remind the employer to rectify this failure. If the employer does not rectify the failure within the time limit set by the Finnish Centre for Pensions, the Finnish Centre for Pensions takes out pension insurance at the employer's expense with the pension provider of its choice (enforced insurance).

If an employer who has arranged pension provision for its employees with two or more pension providers has failed to arrange pension provision for some of the employees and does not, despite reminders, rectify the failure within the time limit set by the Finnish Centre for Pensions, the Finnish Centre for Pensions may stipulate by which pension arrangement the employees who are without insurance are to be covered.

If a temporary employer neglects the obligations laid down for it in section 141 or section 147, the Finnish Centre for Pensions chooses a pension provider for the employer, and the pension provider debits and levies the contribution from the employer.

If the Finnish Centre for Pensions has taken out insurance with a pension provider, as referred to in subsections 2–4, this pension provider is entitled to levy a contribution from the employer, increased to a maximum of twice the amount for the period of the failure. When imposing the increased contribution for the period of the failure, the length of the period of failure, the recurrence of the failure and other comparable factors relating to the assessment of the blameworthiness of the failure are taken into account. At the request of the employer, the pension provider shall give the employer an appealable decision on the increased contribution.

#### Section 187

##### *Pension provider's obligation to supervise*

The pension provider oversees that the employer who has arranged pension provision with the said pension provider fulfils its reporting and insurance obligations under this Act.

The pension provider and the Finnish Centre for Pensions may agree on more detailed implementation of the supervision pursuant to subsection 1 and section 186 subsection 1.

#### Section 188

##### *Right of inspection of the pension provider and the Finnish Centre for Pensions*

The pension provider and the Finnish Centre for Pensions have the right to inspect the employer's premises and the right to take other inspection measures in order to determine whether the employer has fulfilled the obligations under this Act. The employer subject to the inspection shall present, during the course of the inspection, the wage bookkeeping, working time records and, irrespective of the mode of presentation or storage, all the other documentation which may affect the insurance obligation pursuant to this Act of the employer that is being inspected.

In order to carry out the inspection, the Finnish Centre for Pensions and the pension provider are entitled to receive executive assistance from the police and other authorities.

An inspection may be carried out in the employer's home only if there are well-founded grounds to suspect that the employer has neglected the insurance obligation under this Act and if the inspection is necessary in order to settle the matter. An inspection in the employer's home may be carried out only by the police or the tax authorities.

#### Section 189

##### *Evasion and misuse of the obligation to arrange pension provision*

If:

- 1) in order to evade the obligation to arrange pension provision;
- 2) in order to avoid pension contributions;
- 3) in order to arrange unwarranted pension provision; or
- 4) for some other comparable reason, a meaning which does not correspond to the real nature or purpose of the matter has been conferred on a legal act when deciding this obligation to arrange

pension provision, or when determining the pension contribution, or when processing a pension matter, the case shall be proceeded in accordance with the real nature and purpose of the matter.

If the obvious purpose of an arrangement in a company has been to evade the provisions on the employer's liability for disability pensions, the pension provider may determine the contribution according to the situation which prevailed before said arrangement.

#### Section 190

##### *Pension contribution fraud*

Chapter 29, sections 4 a and 4 b of the Penal Code (39/1889) lay down provisions on the penalties for pension contribution fraud and aggravated pension contribution fraud.

#### PART IV

#### MISCELLANEOUS PROVISIONS

### **Chapter 14**

### **Granting and gaining access to information and secrecy of information**

#### Section 191

##### *Applicable rules*

The Act on the Openness of Government Activities (621/1999, Openness Act) is applied to the openness of the documents and activities of the pension providers and the Finnish Centre for Pensions insofar as the pension providers and the Finnish Centre for Pensions exercise public authority as referred to in section 4 subsection 2 of the Openness Act, unless provided otherwise by this Act or some other Act.

Also, in instances when the issue is not one of exercising public authority as referred to in section 4 subsection 2 of the Openness Act, the pension provider and the Finnish Centre for Pensions apply the provisions of the Openness Act in matters relating to the implementation of this Act with respect to:

- 1) document secrecy;
- 2) non-disclosure;
- 3) prohibition of use;
- 4) sections 22–24 regarding secret documents; and
- 5) section 35, which includes penal provisions.

The provisions in Chapter 7 of the Openness Act on derogations from secrecy and declassification apply when applying subsection 2 on the granting of access to information.

The provisions on the obligation to observe secrecy and the granting of access to information in Chapter 18, sections 6, 6 b and 6 c of the Insurance Companies Act (1062/1979), sections 132, 132 a and 132 c of the Company Pension Funds Act, and sections 165, 165 a and 165 c of the Insurance Funds Act do not apply when implementing this Act. (14.8.2009/634)

#### Section 192

##### *Information on the employer's financial position*

Documents and information based on the implementation of this Act concerning the employer's financial position shall be subject to secrecy in addition to the provisions of section 24 subsection 1 paragraph 20 of the Openness Act concerning the secrecy of information regarding a private business.

Notwithstanding the secrecy provisions and other restrictions on the access to information, the pension provider and the Finnish Centre for Pensions are entitled to grant access to information on the employer's default on receivables arising from insurance pursuant to this Act to other pension providers which handle tasks under the private-sector pension acts and to the Finnish Centre for Pensions for the supervision and implementation of insurance under this Act.

#### Section 193

### *Employee's and pension applicant's right of access to information*

The pension provider and the Finnish Centre for Pensions shall, at the request of the employee, give the employee the information it has on the employee's pension entitlement. In other respects, the acts which lay down provisions on the party's right of access to information, right to gain access to information on a document which concerns the person in question and right to check the data stored in registers on the person in question are the Act on the Openness of Government Activities and the Personal Data Act.

The pension provider shall provide the pension claimant with information in advance, either on the pension claims form or in some other comparable manner, on where the information on the claimant may be obtained and who may be granted access to the information in accordance with the law.

### Section 194 (14.12.2012/794)

#### *Employer's right of access to information*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the employer is entitled to obtain from the pension provider the information on the pension granted under this Act, its form and the starting and termination date of the granted pension which are necessary for the employer's financial and personnel administration and for verifying the company's pension contribution.

### Section 195

#### *Employer's obligation to grant access to information*

If it is necessary to obtain information on the employee's employment and working conditions or other comparable factors in order to settle an insurance, pension or rehabilitation matter being processed or otherwise to implement the tasks in accordance with this Act or the Act on the Finnish Centre for Pensions, the employer is obligated to grant access to the information to the pension provider, the Finnish Centre for Pensions and an appellate body pursuant to this Act.

When requesting from the employer the information necessary for processing the employee's pension or rehabilitation matter, the employer may, without the consent of the employee, only be granted access to the confidential information concerning the employee that is necessary in order to identify the information requested from the employer.

### Section 196

#### *Clarification from the pension recipient on factors relating to the pension amount and the pension entitlement*

Irrespective of the pension recipient's obligation to notify, the pension provider may request clarifications from the pension recipient of factors affecting the amount of pension and the pension entitlement if there is reason to suspect that changes have occurred in these factors.

### Section 197

#### *Information on the earnings forming the basis of pensionable benefits for unpaid periods*

The payer of a pensionable benefit referred to in section 74 that is paid for unpaid periods is obligated to report the information on the recipient of the benefit it has paid, the date when the benefit was paid and the earnings which the paid benefit are based on to the Finnish Centre for Pensions at the latest by the end of February of the year following the year of payment of the benefit or by some other date notified by the Finnish Centre for Pensions.

### Section 198 (22.12.2011/1456)

#### *Right to gain access to information for settling a matter or the implementation of statutory tasks*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the pension provider, the Finnish Centre for Pensions and an appellate body under this Act are entitled to obtain:

- 1) from an employer, an insurance or a pension provider implementing statutory insurance, the authorities and other parties to which the Openness Act is applied, the information necessary for settling an insurance, pension or benefit matter being processed or which is otherwise necessary for the implementation of tasks laid down pursuant to this Act or the Act on the Finnish Centre for Pensions, the EU Regulation on social security or its Implementing Regulation or a social security agreement;
- 2) from a physician or other health care professional as referred to in the Act on Health Care Professionals, a health care unit as referred to in section 2, paragraph 4 of the Act on the Status and Rights of Patients (785/1992), and a party providing rehabilitation, or other health care unit, producer of social services or care institution, a statement on request drawn up by the said person or institution and other information on the pension applicant's patient documents, rehabilitation, health, care and work ability necessary for implementing the tasks referred to above in paragraph 1, if the applicant him or herself does not provide the aforementioned information.

Notwithstanding the secrecy provisions and other restrictions on the access to information, the pension provider and the Finnish Centre for Pensions are entitled to receive information pursuant to the earnings-related pension acts from the pension provider handling the statutory pension provision pursuant to the acts referred to in Chapter 3 for the pension record and advance guidance on earnings-related pension matters. The pension provider is entitled to receive the equivalent information also from the Finnish Centre for Pensions.

The information referred to in this section may be retrieved through a technical interface without the consent of the person whose interests are protected by the secrecy provision.

#### Section 199

##### *Right of the Finnish Centre for Pensions to gain access to information for supervision*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the Finnish Centre for Pensions is entitled to obtain from the employer, the insurance and pension provider implementing statutory insurance, the authorities and other parties to which the Openness Act is applied the information necessary in order to fulfil the supervisory obligation laid down in section 186 subsection 1. In addition, the Finnish Centre for Pensions is entitled to obtain, for the aforementioned purpose, the names, business IDs or employer's personal identity codes, contact data and annual notifications or data corresponding to the annual notification, and the fields of industry of employers who have paid wages or other remuneration to employees, as well as information on the remunerations that these employers have paid for the work and related employer payments from the tax authorities as mass data.

The Finnish Centre for Pensions is entitled to gain access to the data referred to in subsection 1 even if it has not in its request for the data identified the employers to be subject to supervision through the processing of mass data or even if the supervisory process is not yet pending. In addition, the Finnish Centre for Pensions is entitled to gain access to the aforementioned mass data even if the taxation has not yet been confirmed. For the implementation of the supervisory task, the Finnish Centre for Pensions is entitled to combine and process the personal data referred to in subsection 1. The combined data may be stored for five years, but not, however, beyond the end of the supervisory process. Combined data shall not be transferred.

The information referred to in this section may be retrieved through a technical interface without the consent of the person whose interests are protected by the secrecy provision.

#### Section 200

##### *Right of the pension provider to gain access to information for supervision*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the pension provider is entitled to gain access to the data necessary for supervision referred to in sections 187–189 from other pension providers handling tasks under the earnings-related pension acts and from the Finnish Centre for Pensions.

## Section 201 (8.12.2006/1121)

### *Information for supplementing old-age pension liabilities*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the Finnish Centre for Pensions has the right to obtain from the pension provider, within the time limit and in the manner determined by the Finnish Centre for Pensions, the information on the pension provider's technical provisions or pension liability and solvency margin necessary for calculating the pension liability supplementary coefficient under section 171 subsection 1, as well as the information on the amounts and rates of return of investments classified in investment category IV, subcategory 1 referred to in section 6 of the Act on the Calculation of the Pension Provider's Solvency Border and the Covering of Technical Provisions necessary for calculating the average annual rate of return under section 168 subsection 3.

## Section 202 (30.11.2007/1112)

### *Gratuitousness of the information*

The pension provider, the Finnish Centre for Pensions and an appellate body under this Act are entitled to gain access free of charge to the information to which they are entitled pursuant to this Act. However, if the information is needed in a certain format and if this causes significant extra costs for the party granting access to the information, the costs shall be reimbursed. The right of the Finnish Centre for Pensions to levy operation-specific service charges for its services is laid down in section 5 subsection 1 of the Act on the Finnish Centre for Pensions.

## Section 203

### *Granting access to information within an insurance company Group*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the pension insurance company and its representative may grant another company which is part of the same insurance company Group as referred to in Chapter 26 of the Insurance Companies Act or the same consortium as referred to in Chapter 30 section 2 of the Insurance Companies Act access to information that falls within the scope of the obligation to observe secrecy which is necessary to undertake the tasks pursuant to this Act. (14.8.2009/634)

Notwithstanding the secrecy provisions and other restrictions on the access to information, the pension insurance company may grant a company as referred to in subsection 1 access to information necessary for customer service, taking care of customer relations and other customer management. Such information includes data on the employer's or self-employed person's name, personal identity code, business ID as well as client ID, contact information, data on the company's ownership and insurance arrangements, wage bill and other comparable data relating to customer management.

The provisions on the obligation to observe secrecy and the breaching of this obligation also apply to those who have gained access to information which is subject to secrecy pursuant to this section.

## Section 204

### *Granting access to information for voluntary supplementary group pension provision*

In addition to the provisions of the Openness Act, the pension provider and the Finnish Centre for Pensions, notwithstanding the secrecy provisions and other restrictions on the access to information, are entitled to give to a life insurance company, an industry-wide pension fund or a company pension fund the employees' names and addresses, personal identity codes, data on the pension amounts and factors which affect the pension amount as well as other information necessary for the purposes below:

- 1) for the continuous handling of free-form voluntary supplementary group pension provision relating to pension provision governed by this Act;
- 2) for agreeing the terms and conditions for new supplementary group pension provision, when previous supplementary pension provision is terminated on the employer's initiative and replaced by the corresponding new supplementary pension provision; the provider of the new supplementary

pension insurance shall in that case provide the Finnish Centre for Pensions with information indicating that new supplementary pension provision means replacing the previous supplementary pension provision with new provision;

- 3) for determining the final contents of new supplementary pension provision; the prerequisite is, however, that the life insurance company, industry-wide pension fund or company pension fund has taken care that the employees covered by the supplementary pension arrangement, after the insurance contract or pension arrangement has been accepted, have been duly informed about the life insurance company's, industry-wide pension fund's or company pension fund's possibility to gain access to the necessary data and that the employee has not expressly declined the supplementary pension arrangement or refused the granting of access to his or her personal data.

When seeking a party that will arrange new supplementary pension provision, the pension provider and the Finnish Centre for Pensions are, in addition to what is provided in the Openness Act and notwithstanding the secrecy provisions and other restrictions on the access to information, entitled to grant the life insurance company, industry-wide pension fund or company pension fund access to information on the employees' employment contracts, pension rights, age and gender distribution and factors which affect the pension amount for determining the supplementary pension provision and its costs.

## Section 205

### *Granting access to information in order to solve offences or irregularities*

In order to solve offences and irregularities, notwithstanding the secrecy provisions and other restrictions on the access to information, the pension provider and the Finnish Centre for Pensions have the right to grant access to data based on the implementation of this Act to the Ministry, the tax authorities and to institutions or associations which administrate the statutory social security system and whose social security benefit the pension under this Act affects.

The information to be granted access to concerning the person who receives or has received a pension under this Act includes:

- 1) the personal identity code and other identifying data;
- 2) data on the pensions that have been paid;
- 3) data on the employer; and
- 4) other comparable data which are necessary for combining personal data in order to solve offences and irregularities relating to social security and for other one-off supervisory measures.

The pension provider and the Finnish Centre for Pensions have the right referred to in subsection 1 to grant access to data referred to in subsection 2 also to the police and prosecuting authorities, insofar as the data are necessary for the solving and prosecution of offences.

However, in situations referred to in this section, access shall not be granted to data on the employee's health or data which are intended to describe the grounds for the employee's need for social welfare.

## Section 206 (26.6.2009/526)

### *Granting access to information to the authorities and a controller in credit data operations*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the pension provider and the Finnish Centre for Pensions are entitled, in addition to what is provided in the Openness Act, to grant access to information based on the implementation of this Act as follows:

- 1) to the relevant authority or institution, the data necessary for the implementation of the tasks under the EU Regulation on social security or a social security agreement;
- 2) to the tax administration, the data necessary for fulfilling the supervisory obligation of the tax administration laid down in the Prepayment of Tax Act in cases where there is reason to suspect that the employer has not fulfilled the employer's tax withholding obligation;
- 3) to a controller in credit data operations, information on the employer's distrainable pension contribution receivables based on this Act, which the controller of the credit data register is entitled by law to store in the credit data register;

- 4) to the industrial safety authority, the data necessary for fulfilling the supervisory obligation of the authority laid down in the Act on the Contractor's Obligations and Liability when Work is Contracted Out (1233/2006) in cases where there is reason to suspect that the contractor has not fulfilled its obligation of notification or that the contractor's contracting party has presented false certificates of meeting its obligation to insure or of paying insurance contributions;
- 5) to the Unemployment Insurance Fund, the data necessary for fulfilling the supervisory obligation of the Fund laid down in the Act on Financing Unemployment Benefits (555/1998) in cases where there is reason to suspect that the employer has neglected its obligation to pay its unemployment insurance contributions.

#### Section 207

##### *Granting access to information for employees' group life insurance*

Notwithstanding the secrecy provisions and other restrictions on the access to information, the Employees' Group Life Insurance Pool and Mela, which, under the authorisation of the life insurance companies and accident insurers, manage the claims handling regarding employees' group life insurance, are entitled to obtain from the Finnish Centre for Pensions the names, personal identity codes and dates of death of deceased employees who have worked under employment contracts covered by this Act, and the names and personal identity codes of their beneficiaries as well as other comparable data which are necessary when determining whether the criteria for granting an insurance amount from the group life insurance have been met.

Notwithstanding the secrecy provisions and other restrictions on the access to information, the State Treasury and Keva are also entitled to obtain from the Finnish Centre for Pensions the data referred to in subsection 1 for processing financial aid that corresponds to group life insurance.(29.1.2016/69)

#### Section 208

##### *Transferring information*

In addition to the provisions of the Openness Act, the pension provider and the Finnish Centre for Pensions are entitled, notwithstanding the secrecy provisions and other restrictions on the access to information, to grant access to information on pensions, pension rights or insurance obtained from a pension provider which handles the implementation of the public-sector pension acts to Kela or some other recipient of information who is entitled to gain access to this information by law.

By virtue of section 195, the Finnish Centre for Pensions has the right mentioned in subsection 1 to give data obtained from the employer and, by virtue of section 198, data obtained from the employer, an insurance or pension provider implementing statutory insurance, the tax and other authorities, as well as other parties covered by the scope of the Openness Act to a pension provider which handles the implementation of the public-sector pension acts and which is entitled by law to gain access to these data from the providers of information referred to or from the Finnish Centre for Pensions.

Before granting access to the data referred to in subsections 1 and 2, the pension provider and the Finnish Centre for Pensions shall agree with the pension providers which handle the implementation of the public-sector pension acts on which data referred to above may be transferred and to whom they may be transferred.

#### Section 209

##### *Responsibility of the party transferring information*

Before the pension provider or the Finnish Centre for Pensions transfers the information, it shall ensure that the party gaining access to the data is entitled by law to obtain the transferred data from the party which originally disclosed the information.

The pension provider, or the Finnish Centre for Pensions, which transfers the information on the grounds laid down in this Chapter, is responsible for ensuring that the contents of the transferred data correspond to the information obtained from the party that disclosed the information.

## Section 210

### *Granting of access to information through a technical interface*

The Finnish Centre for Pensions and, under its consent, the pension provider are entitled to open a technical interface, in addition to the provisions on granting access to information through a technical interface under section 29 subsection 3 of the Openness Act, with:

- 1) an organisation or institution which implements statutory social insurance for data in its personal data file which the organisation or institution by the virtue of this Act or some other act is entitled to gain access to for the implementation of its tasks;
- 2) the authorities that handle the implementation of tasks under the EU Regulation on social security or under a social security agreement for data which the authority is entitled to gain access to by virtue of section 206 subsection 1 paragraph 1;
- 3) the Social Insurance Institution as well as other recipients of information who are entitled to gain access to data on pensions, pension rights and insurance from a pension provider which handles the implementation of the public-sector pension acts for data referred to in section 208 subsection 1; and
- 4) a life insurance company, an industry-wide pension fund or a company pension fund for the data necessary for handling or arranging supplementary group pension provision as referred to in section 204

In addition to what is provided in subsection 1, the Finnish Centre for Pensions is entitled to open a technical interface with the Employees' Group Life Insurance Pool, Mela, the State Treasury and Keva for the data referred to in section 207 and with the pension providers which handle the implementation of the public-sector pension acts for the data referred to in section 208 subsection 2. (29.1.2016/69)

However, a technical interface may be opened for granting access to data obtained from the pension providers which handle the implementation of the public-sector pension acts in the manner referred to in subsection 1, paragraph 3, or for granting access to data to the pension providers which handle the implementation of the public-sector pension acts in the manner referred to in subsection 2 only if this has been agreed upon pursuant to section 208 subsection 3.

Confidential information may also be retrieved without the consent of the person whose interests are protected by the secrecy provision through a technical interface opened by virtue of this section. .

Before opening the technical interface, the party requesting the information shall provide the party opening the interface with information indicating that the data protection has been taken care of appropriately.

## **Chapter 15**

### **Other provisions**

## Section 211

### *Advising employees and employers*

The responsibility to provide advice in matters coming within the scope of application of this Act rests primarily with the pension provider with whom the employer has arranged pension provision for the employees.

## Section 212

### *Cooperation of the pension providers*

The pension providers shall cooperate in compiling statistics and in other matters related to the implementation and development of the acts on the earnings-related pension.

## Section 213

### *Compensation for certain services*

The pension provider may levy a charge from the employer for certain services which it has provided at the request of the employer.

#### Section 214

##### *Decision on the amount of the theoretical pension*

If the employee has worked in two or more EU or EEA countries and he or she is applying for a residence-based national pension, the employee is entitled, on request, to receive a decision on the amount of the theoretical pension which the pension provider reports to Kela for the calculation of the employee's residence-based national pension.

#### Section 215

##### *Transfer of pension rights to the European Communities*

The employee has the right to transfer the pension rights under this Act to the European Communities as provided in the Act on the Transfer of Pension Rights between the Finnish Earnings-Related Pension Scheme and the Pension Scheme of the European Communities (165/1999).

The pension rights transferred to and restored from the European Communities are governed by the provisions of the Act on the Transfer of Pension Rights between the Finnish Earnings-Related Pension Scheme and the Pension Scheme of the European Communities, insofar as the said Act contains provisions which differ from the provisions of this Act. (22.12.2006/1274)

#### Section 216

##### *Executive assistance*

The pension provider and the Finnish Centre for Pensions have the right to have examined witnesses in a District Court on their own initiative or on the request of the party involved in order to clarify a case which is being processed.

#### Section 217

##### *Disqualification*

Notwithstanding the provisions of section 28 subsection 1 paragraphs 4 and 5 of the Administrative Procedure Act (434/2003), an official or a member of the Board of the pension provider or the Finnish Centre for Pensions may handle a matter relating to the implementation of this Act and which concerns an employer who has arranged pension provision with said pension provider or an employee working for such an employer, or a self-employed person.

#### Section 218 (30.12.2008/1097)

##### *Document storage*

The pension provider and the Finnish Centre for Pensions shall store documents related to the arrangement of pension provision pursuant to this Act or a pension matter as provided in the Archives Act (831/1994). If the National Archives Service has not decreed that the said documents shall be stored permanently, the pension provider or the Finnish Centre for Pensions shall store:

- 1) the insurance application, insurance policy and insurance contract as well as other necessary documents relating to the taking out of insurance, the handling of the insurance and the determining of the contribution for the period of validity of the insurance policy and the ten subsequent calendar years;
- 2) the application, medical statement, rehabilitation plan relating to a pension or rehabilitation matter and other documents relating to rehabilitation or the pension applicant's state of health, work and functional ability or rehabilitation prospects, other documents necessary for awarding, processing or paying the pension or rehabilitation benefits, as well as the decision and calculation

- relating to a pension or rehabilitation matter for the insured person's lifetime and the five subsequent calendar years;
- 3) the documents necessary for awarding, processing or paying survivors' pension, as well as the decision and calculation relating to the survivors' pension for the period of payment of the survivors' pension and the five subsequent calendar years;
  - 4) the documents necessary for the debiting of contributions up to the end of the debiting and the five subsequent calendar years; and
  - 5) appeal documents for 50 years, unless the documents are to be stored for a longer period by virtue of paragraphs 1–4; the period of storage for documents relating to an appeal starts when the documents have been returned to the pension provider or the Finnish Centre for Pensions from the appellate body.

#### Section 218 a (29.1.2016/69)

##### *Evaluation of working life development*

Every five years the Ministry of Social Affairs and Health evaluates the development of working lives and of the financial and social durability of the earnings-related pension scheme. The evaluation takes into account the development of working lives and factors affecting it. By working life ratio is meant the ratio between the five-year average expectancy for the period an 18-year-old is expected to belong to the workforce and the five-year average life expectancy of an 18-year-old. Key labour organizations representing employers and employees are heard in connection with the evaluation.

#### Section 219

##### *Entry into force*

The enforcement of this act is enacted separately.

HE 45/2005, StVM 5/2

1121/2006:

This Act enters into force on 1 January 2007. Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

When this Act enters into force, the equity linked buffer fund referred to in section 168(2) takes the value zero. When calculating the annual change to the equity linked buffer fund, the values used, instead of one tenth, are the value 0.02 in 2007, the value 0.04 in 2008, the value 0.06 in 2009 and in 2010 the value 0.08.

HE 77/2006, StVM 31/2006, EV 152/2006

1274/2006:

This Act enters into force on 1 January 2007.

HE 197/2006, StVM 38/2006, EV 176/2006

1292/2006:

This Act enters into force on 1 January 2007.

HE 251/2006, StVM 49/2006, EV 237/2006

1314/2006:

This Act enters into force on 1 January 2007.

HE 167/2006, StVM 34/2006, EV 168/2006

1112/2006:

This Act enters into force on 1 January 2008.

Measures necessary for the implementation of the Act may be undertaken before the Act's entry into force.

HE 53/2007, StVM 13/2007, EV 69/2007

1164/2006:

This Act enters into force on 1 January 2008.

HE 95/2007, StVM 9/2007, EV 55/2007

1281/2007:

This Act will enter into force on a date to be defined by decree. (Act 1281/2007 entered into force 1 March 2008 in accordance with Decree 127/2008)

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 115/2007, LiVM 13/2007, EV 111/2007  
1363/2007:

This Act enters into force on 31 December 2007.

The calculation criteria under section 168(2) of this Act for the equity linked buffer fund are applied from 1 January 2007, however.

HE 138/2007, StVM 19/2007, EV 94/2007  
30.12.2008/1097:

This Act enters into force on 1 January 2009.

Section 4, subsection 3, paragraph 3 and subsection 4 of the Act and section 149 shall be applied to a worker posted from abroad, whose work in Finland begins on 1 January 2009 or later.

Section 218 of the Act is applied upon the entry into force of the Act to documents stored and, after the entry into force of the Act, documents to be stored at the pension provider or Finnish Centre for Pensions.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 171/2008, StVM 41/2008, EV 215/2008

26.6.2009/526:

This Act enters into force on 1 September 2009.

HE 50/2009, TyVM 5/2009, EV 62/2009  
14.8.2009/627:

This Act enters into force on 1 January 2010. The introductory part of section 16, subsection 1, section 63, subsection 1, paragraph 3 and section 69 will, however, enter into force on 1 January 2011. The part-time pension's decrease in income is considered, however, to be part of the projected pensionable service as stipulated in subsection 1 of section 76, valid at the entry into force of the Act, until 31 December 2010.

The Act's section 66, subsection 2, section 68, subsection 2, section 76, subsection 6 and section 82 are applied to old-age pensions beginning on 1 January 2010 or later, and to disability pensions for which the pension contingency is on 1 January 2010 or later. The Act's section 90, subsection 1 is applied to survivors' pensions, in which the reduction of the surviving spouse's pension is carried out for the first time after the entry into force of the Act.

What is stipulated in the valid Act at the time that this Act enters into force is applied to the right to part-time pension, the accrual of pension during part-time pension and projected pensionable service for employees born before 1953.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 68/2009, StVM 20/2009, EV 99/2009

14.8.2009/634:

This Act enters into force on 1 January 2010.

Sections 37, 105–107, 107 a, 107 b and 108–110, section 111, subsection 3, section 126, subsection 3, and section 129, subsection 1 of the Act, will, however, enter into force on 1 January 2012 and they will be applied to a pension application that is instituted on the date mentioned or thereafter. Instead of the above-mentioned texts the corresponding provisions in force prior to the entry into force of this Act will be applied if the employee does not have any earnings, as stipulated in the employment pensions acts, after 2004.

Notwithstanding section 107 of the Act, the last pension provider's arrangement will not be applied if one of the pension providers included in the arrangement applies provisions of the employment pension acts in force prior to 1 January 2005 and the other applies the provisions of employment pension acts that have entered into force on 1 January 2005 or thereafter, and these pension providers have not agreed to abide by the last pension provider's arrangement. The same applies to a situation in which a

private sector pension provider would be the last pension provider and the employee applies for disability pension which is granted, based on subsection 3 of section 52, as full old-age pension instead of disability pension. In these situations the pension entitlement and amount of pension according to this Act are resolved by an authorised private sector pension provider as stipulated in section 106 of this Act. The monetary amounts specified in section 37, section 76, subsection 3, and section 108 of this Act correspond with the value "one" (1.000) of the wage coefficient in 2004, as stipulated in section 96. Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 73/2009, StVM 17/2009, EV 75/2009

22.12.2009/1203:

This Act enters into force on 1 January 2010.

Provisions that are in force at the entry into force of this Act shall be applied to study allowance granted prior to the entry into force of this Act according to the Unemployment Security Act (1290/2002) and to earnings support according to the Act on Public Service Employment (1295/2002).

HE 178/2009, PeVL 27/2009, StVL 20/2009, TyVM 11/2009, EV 224/2009

14.5.2010/354:

This Act enters into force on 19 May 2010.

Provisions in force at the time that this Act enters into force shall be applied in situations in which, according to article 90 of the EU's basic regulation on social security, the Council Regulation (EC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community is applied to a person.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 34/2010, StVM 8/2010, EV 68/2010

20.8.2010/717:

This Act enters into force on 1 March 2011.

HE 50/2010, StVM 10/2010, EV 86/2010

29.10.2010/909:

This Act enters into force on 1 January 2011.

For pension applications that have been instituted prior to 1 January 2011, the Act's section 13, subsection 1 will be applied as it stood when in force on 31 December 2010.

The Act's section 182, subsection 2 will be applied for the first time when determining the Unemployment Insurance Fund contribution for 2011. The contribution to the Unemployment Insurance Fund is also based on the earnings and income from work on which the benefits, stipulated in section 74, subsection 3, paragraphs 4 and 5, as they stood when valid on 31 December 2009, of the beneficiaries insured with the pension providers stipulated in section 182, subsection 1 are based on, when the Unemployment Insurance Fund contribution is specified for a period for which the benefit specified in paragraph 4 or 5 has been granted prior to 1 January 2010.

HE 91/2010, StVM 19/2010, EV 126/2010

5.11.2010/940:

This Act enters into force on 1 January 2011.

HE 44/2010, TyVM 6/2010, EV 132/2010

21.12.2010/1192:

This Act enters into force on 1 January 2011.

If a person working in a senior position in a limited liability company or in another organisation was insured as a person equated with an insured employee at the time that this Act entered into force, section 7 is applied to his or her insurance as it stood at the time that this Act entered into force for as long as this same employment continues, but, at most, up to 31 December 2013. After this what is stipulated in section 7 of this Act and in section 3 of the Self-employed Persons Pensions Act (1272/2006) or section 5 of the Farmers' Pensions Act (1280/2006) applies to the insurance of his or her work.

If the participating interest or controlling interest of the person working in a senior position in a limited liability company or other organisation, as referred to in subsection 2, alone, or the participating interest or controlling interest of him or her and his or her family members together, increases following the entry into force of this Act, but before 1 January 2014, to more than 50 per cent of the limited liability

company or other organisation, he or she is obligated to take out insurance according to the Self-employed Persons Pensions Act or Farmers' Pensions Act as is stipulated in these acts.

The monetary amount specified in subsection 2 of section 175 of this Act corresponds to the wage coefficient's value of "one" (1.000) in 2004, as stated in section 96.

HE 135/2010, StVM 38/2010, EV 232/2010

21.12.2010/1248:

This Act enters into force on 1 July 2011.

HE 198/2010, StVM 34/2010, EV 224/2010

11.3.2011/220:

This Act enters into force on 31 March 2011.

This Act is applied when determining for the first time the supplementary coefficient entering into force on 1 July 2011.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 273/2010, StVM 50/2010, EV 299/2010

17.6.2011/678:

This Act enters into force on 1 July 2011.

Section 140 a of the Act is applied if a retroactive benefit or pension is granted after the entry into force of this Act.

Provisions in force at the entry into force of this Act shall be applied to matters concerning the setting aside of legally valid decisions pending at the Appeals Board and Insurance Court at the entry into force of this Act.

HE 274/2010, StVM 51/2010, EV 300/2010

22.12.2011/1427:

This Act enters into force on 1 January 2012.

Section 92 of the Act will not enter into force until 1 January 2013. It shall, however, be applied upon application by the employee also for a pension granted to him or her before 2013 if the pension continuity has occurred on 1 January 2007 or thereafter, the primary benefit has been deducted from it and the employee would be granted a larger pension than earlier based on the above-mentioned section.

The amount of pension in this case is adjusted as of 1 January 2013 if the application arrives at the pension provider at the latest by 30 June 2013, and based on applications arriving after this date, from the beginning of the month following the arrival of the application.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 89/2011, StVM 11/2011, EV 48/2011

22.12.2011/1456:

This Act enters into force on 1 January 2012. Section 75, subsections 2 and 3 and section 75 a, subsections 3–5 are, however, not applied until 1 January 2013.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 74/2011, StVM 14/2011, EV 69/2011

14.12.2012/794:

This Act enters into force on 1 January 2013.

Section 11, section 12, paragraph 2, section 13, subsection 1 and section 52, subsection 2, as they stood at the moment that this Act enters into force, are, however, applied to the right of an employee born before 1952 to retire on early old-age pension and to the amount of early old-age pension.

Section 12, subsection 3 and section 13, subsection 1 are applied, as they stood at the time that this Act enters into force, to the right of an employee born before 1958, who receives unemployment allowance based on the right to receive continued unemployment allowance as specified in the Unemployment Security Act (1290/2002), article 6, section 9, to retire on an old-age pension at the age of 62 with no reduction for early retirement. (7.11.2014/884)

An employee born before 1954 is entitled to retire on part-time pension according to the provisions in force at the entry into force of this Act.

Measures necessary for the implementation of this Act may be undertaken before the Act's entry into force.

HE 77/2012, StVM 19/2012, EV 113/2012

18.1.2013/42:

This Act enters into force on 16 March 2013.

Provisions that are in force prior to the entry into force of this Act are applied to a payment that has fallen due prior to the entry into force of this Act.

HE 57/2012, LaVM 14/2012, EV 126/2012

30.12.2013/1209:

This Act enters into force on 1 January 2014.

However, the Act's sections 173 and 177 and section 179, subsection 1, paragraph 2 are applied until 31 December 2016 as they stood at the entry into force of this Act.

HE 162/2013, StVM 28/2013, EV 197/2013

7.11.2014/870:

This Act enters into force on 1 January 2015.

HE 109/2014, StVM 7/2014, EV 97/2014

7.11.2014/882:

This Act enters into force on 1 January 2015.

Sections 36 and 101 are applied to disability pension applications pending at the entry into force of this Act, as they stood at the entry into force of this Act.

Notwithstanding what is stipulated in subsections 1 and 2 of the commencement provision of the Act on amending the Employees Pensions Act (627/2009) on section 68, subsection 2, pension is accrued at an accrual rate of 1.5 per cent on the earnings on which the projected pension for the concluded disability pension period is based, if the concluded disability pension contingency took place in 2006 or thereafter and if an old-age pension that is to be granted on new grounds begins on 1 January 2010 or thereafter or the pension contingency of a pension to be granted on new grounds occurred on 1 January 2010 or thereafter. The amount of the pension referred to in this subsection that is being paid at the entry into force of this Act, is adjusted by the pension provider on 1 January 2015.

HE 120/2014, StVM 11/2014, EV 105/2014

7.11.2014/884:

This Act enters into force on 1 January 2015.

HE 120/2014, StVM 11/2014, EV 105/2014

19.12.2014/1230:

This Act enters into force on 1 January 2015.

HE 213/2014, StVM 22/2014, EV 180/2014

20.3.2015/316:

This Act shall come into force on the 31st of March 2015 and will be in force until the 31st of December 2016. This Act shall be applied for the first time in the calculation of the average annual equity return rate of the first quarter.

HE 279/2014, StVM 46/2014, EV 305/2014

7.8.2015/874:

This act will come into force on 1 January 2016.

The provisions of this Act on benefits pursuant to the Occupational Accidents, Injuries and Diseases Act or the Occupational Accident and Disease Act for Farmers shall apply to an equivalent benefit pursuant to the Workers' Compensation Insurance Act (608/1948) or the Act on Farmers' Occupational Accident Insurance (1026/1981).

However, section 92, subsection 1 of the Employees Pensions Act shall be applied to a benefit pursuant to the Workers' Compensation Insurance Act or the Act on Farmers' Occupational Accident Insurance as said subsection was in force when this Act came into force.

HE 278/2014, StVM 50/2014, MmVL 47/2014, TyVL 17/2014, EV 320/2014

29.1.2016/69:

The enforcement of this act is enacted separately.

11.11.2016/945:

This act will come into force on 1 January 2017.

When establishing the amount of the employee's pension contribution referred to in section 153, instead of the value 4,2 percent, the value 3,2 per cent is used for the year 2017, the value 3,4 per cent for the year 2018 and the value 3,8 per cent for the year 2019.

When establishing the earnings forming the basis for the contribution of the Unemployment Insurance Fund referred to in section 182 subsection 2, the amount of the employee's pension contribution is reduced, instead of by 1,2 per cent, by 0,2 per cent in 2017, by 0,4 per cent in 2018 and by 0,8 per cent in 2019.