

Etera's pension insurance – foreign workers are pension-insured, too

A Finnish employer must take out pension insurance for foreign workers who work in Finland, just as they do for Finnish workers. The worker will also receive pension from Finland.

When a Finnish employer hires you, they will take care of your pension cover. Part of the pension premium is deducted from the worker's salary and the remainder is paid by the employer. The employer then pays the entire sum to the pension company.

In Finland, private sector employees are insured under the Employees' Pensions Act TyEL. Central and local government employees have their own pensions acts. A private employer may choose the pension company with which to take out pension insurance for its workers. Besides employees' pension cover, Etera Mutual Pension Insurance Company also provides pension insurance for entrepreneurs.

Employees' pension insurance

Employers insure all their employees regardless of earnings or branch of industry. Both the employer and the employee contribute to the pension premium. The Finnish Ministry of Social Affairs and Health confirms the premiums annually. The employee's share of the pension premium is 4.1% for those under the age of 53 and 5.2% for those aged 53 and over. The employer deducts the employee's pension premium in connection with payment of their salary and then pays the entire contribution to Etera.

If a foreign person has worked in Finland, he or she may be entitled to pension from Finland. Pension benefits include old-age pension, disability pension and survivors' pension, to name a few. You can retire and collect old-age pension between the ages of 63 and 68.

Pensions are paid to all workers according to the same rules. If the worker's monthly earnings are less than EUR 47.09 (in 2008), the earnings are exempt from pension insurance premiums and will not accrue pension. All employees between the ages of 18 and 67 are subject to payment of pension premiums, there is no minimum length of employment.

You can check your earnings data

The Finnish Centre for Pensions (ETK) collects all employment and earnings data reported by private-sector employers in an earnings register (Arek). You can check your data by ordering an extract from the employment register from ETK by phone at +358 10 751 4221 (in English). However, in the case of foreign workers who do not have a Finnish personal identity code with

the separate individual ending, the data is entered in the register after a delay of several months. The Finnish Centre for Pensions also answers any questions concerning foreign workers' pension matters at +358 10 75 11 (switchboard).

Accrual of pension

The pension is calculated on the worker's annual income at an accrual rate based on his or her age. Pension accrues for all work. The pension accrual rates are as follows:

- 1.5% between the ages of 18 and 52
- 1.9% between the ages of 53 and 62
- 4.5% between the ages of 63 and 67.

Example

Timo, 42, has gross annual earnings of EUR 35,000 and he works for exactly 12 months. This means that Timo would, when he retires, receive an old-age pension of $\text{€}35,000 \times 1.5\% / 12 \text{ months} = \text{€}43.75 / \text{month}$. After five years' work Timo would receive a pension of $5 \times \text{€}43.75 = \text{€}218 / \text{month}$.

How to apply for pension?

Pension accrued in Finland can be paid in any country in the world. When you retire, you can apply for your pension from a pension institution either in your country of residence or in the country of your last employment. The pension institution will also apply for your pension in the other European Union member countries that you have worked in. If you live in a country outside the European Union, it is best to contact the Finnish Centre for Pensions directly.

Further information

For more information on pension insurance for foreign workers, contact Etera at +358 10 553 300 (switchboard) or at www.etera.fi. Information is provided in Finnish, Swedish and English. Our visiting address is Pasilankatu 4 A, Länsi-Pasila, Helsinki. Our customer service is open on weekdays from 8 am to 4 pm. More information is also available at the Finnish Centre for Pensions' website at www.etk.fi or at www.tyoelake.fi.



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