



# Partial old-age pension 2023

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You can draw 25 or 50 per cent of your pension as partial old-age pension already before reaching the pensionable age for old-age pension. The age limit is 61 years. A reduction for early retirement is applied to any pension drawn before reaching the pensionable age for old-age pension. Partial old-age pension may provide flexibility in your final working years. Working while on pension is not required or limited. If you want to adjust your working time, you must agree on that at the workplace.

You can choose whether you will draw 25 or 50 per cent of the pension you have accrued up until the end of the previous year. If you first draw 25 per cent, you may later decide to draw the other 25 per cent. You are not eligible for partial old-age pension if you already receive a pension on the basis of your work, such as disability pension.

You may opt for partial old-age pension any time after you have reached the age limit of 61 years. Your age at the time the pension begins will affect its amount. Partial old-age pension may be reduced due to early retirement or increased for late retirement. In addition, the pension is subject to a deduction using the life expectancy coefficient.

## Reduction for early retirement before the minimum age limit for old-age pension

If you opt for partial old-age pension before reaching the minimum age for old-age pension, the share of the pension you draw will be reduced by 0.4% for each month that your age is lower than the pensionable age for old-age pension. The reduction is permanent. It will also affect your future old-age pension.

**Example:** The minimum age for old-age pension for an individual born in 1962 is 65 years. If the person opts for partial old-age pension as soon as they turn 61, old-age pension will start after 4 years, that is, after 48 months. As the reduction is calculated for 48 months, it amounts to 19,2 %.

## Increase for late retirement after the minimum age for old-age pension

If you retire on partial old-age pension after reaching your minimum age limit for old-age pension, we will increase your pension by 0.4% for every month of deferred retirement. No increase is paid for any periods in which you receive unemployment benefits.

## Estimate the amount of your pension

Estimate the amount of your partial old-age pension [in Varma Online Service](#).

## How to apply for partial old-age pension

### 1. Plan

Partial old-age pension may start no earlier than at the beginning of the month following the month in which you turn 61. You cannot take the partial old-age pension retroactively.

Estimate the amount of your partial old-age pension through [Varma Online Service](#). You will also receive an estimate of how partial pension will affect your future old-age pension. If you are planning to take up part-time work, you can enter an estimate of your new monthly earnings into the service. Use [the tax rate calculator at vero.fi](#) to estimate taxation.

### 2. If you want to change your working time, negotiate with your employer

Working while on pension is not required or limited. You can decide how you will work while on partial old-age pension or if you will work at all. Full-time or part-time work will have no effect on your pension payments.

If you are employed and wish to reduce your working hours when you opt for partial old-age pension, you must arrange that with your employer. The shortening of working time is implemented as agreed between the employer and employee, while considering the employee's needs and the employer's production and service operations. There is no need to notify Varma of the working hours.

If you are an entrepreneur and your work input changes as you begin drawing partial old-age pension, be sure to indicate the amount of your new confirmed YEL income in your pension application. Entrepreneurs must have an YEL insurance if, while they are drawing partial old-age pension, the amount of their work input exceeds the lower limit for the insurance obligation (EUR 8,575.45 in 2023).

Work or unemployment have no effect on partial old-age pension, nor does partial old-age pension have an effect on unemployment allowance.

### 3. Have the following information on hand when filling in the application:

- your IBAN bank account number
- contact details of your employers for the past year
- details on other compensation or pensions
- details on other benefits or daily allowances for the current and previous year.

### 4. Apply for partial old-age pension two weeks before pension starts

To ensure that your pension application is processed as quickly as possible, submit your application through [Varma Online Service](#). Applications are also available at [Työeläke.fi](#) and from the offices of Kela. Partial old-age pension can begin no earlier than at the beginning of the month following the month it was applied for.

We will process your pension application at Varma if your earnings for the last month were primarily insured with us. You can obtain from us a decision on your entire earnings-related pension even though you earlier worked in the public sector, for example, for the government or a municipality.

If your earnings for the past two years were primarily insured in the public side, Keva will process your application.

### 5. Once you have received a pension decision, obtain a tax card for pension income

The first pension payment will be made to your account soon after you receive the decision. From then on, the pension will be in your account on the first banking day of each month.

If you do not have a pension tax card, we will withhold 40% in taxes from your first pension payment. Your pension decision will also include instructions on how to get a tax card for pension income. If we have withheld excess tax on your pension, we will refund the excess amount as soon as we have received the tax card for pension income from the tax office.

## For how long will pension be paid?

We will pay you partial old-age pension until you switch to full old-age pension.

When you decide to retire on old-age pension, you must apply for it separately.

You can cancel partial old-age pension within 3 months from when the pension was granted. You cannot suspend the payment of your partial old-age pension, nor can you terminate it.

If you work while receiving partial old-age pension, you accrue more pension. You can also get an increase for late retirement

for this pension and for the saved part if you postpone your retirement on old-age pension beyond your minimum pensionable age. The saved part means the part of the pension that remained when you opted for partial old-age pension. The increase for late retirement amounts to 0.4% for each month with which your age exceeds the minimum pensionable age for old-age pension. No increase is paid for any periods for which you receive unemployment benefits.

### Your old-age pension will consist of three parts:

1. The part that you already drew, that is, your partial old-age pension
2. The part that remained when partial old-age pension started (50% or 75%), that is, the saved part
3. Pension accrued during the year when partial old-age pension started and after it

National pension may supplement old-age pension if the amount of earnings-related pension does not reach the income limits (EUR 1,355.30/month if you live alone and EUR 1,512.38/month if you are cohabiting). If a reduction for early retirement is applied to your partial old-age pension, the reduction is taken into account as revenue when calculating the share of national pension. In other words, national pension does not substitute for a reduction for early retirement applied to partial old-age pension that was drawn before reaching the pensionable age for old-age pension. A reduction of 0.4% will be applied to national pension on a monthly basis if you apply for it before turning 65.

## Your pension information during working life and retirement on Varma's website

[Varma Online Service varma.fi](#) > Log in

### Through our eServices, you can obtain

- pension records
- pension estimates
- pension applications
- information on the status of the processing of your pension application
- information on paid pension and withheld tax
- certificate of the amount of your pension
- pension decisions and documents for the past two years

You can send messages and attachments to us through the service or change your contact details.

Varma is at your service in all issues concerning earnings-related pension at the address [varma.fi](#).

### Varma Mutual Pension Insurance Company

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