

Partial old-age pension in 2019

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Partial old-age pension is 25 or 50 per cent of the pension you have accrued up until the end of the previous year. Partial old-age pension can begin at the earliest at the beginning of the month after the month in which you turn 61.

The lower age limit will initially be 61, but it will rise to 62 for those born in 1964. Thereafter, the age limit will rise to the extent that general life expectancy increases.

Although the official name of the pension is partial early old-age pension, it can also be received upon reaching the lowest retirement age for old-age pension or thereafter. You cannot apply for partial old-age pension if you are already receiving earnings-related pension.

The reduction for early retirement or the increase for deferred retirement can affect the final amount of partial old-age pension. The pension is additionally subject to a deduction using the life expectancy coefficient.

Early retirement reduction before reaching the lowest retirement age for old-age pension

The pension is reduced by 0.4 per cent for every month of early retirement if you begin drawing your pension before you reach the lowest retirement age for old-age pension.

Example: The lowest retirement age for someone born in 1958 is 64. If the person begins collecting partial old-age pension at the age of 61, the partial old-age pension will be reduced for three years, i.e. 14.4 per cent. The reduction is permanent.

Increase for deferred retirement after reaching the retirement age for old-age pension

If you begin drawing partial old-age pension after you have reached the lowest retirement age for old-age pension, we will raise your pension by 0.4 per cent for every month that you defer your retirement. The increase does not apply during periods of collecting unemployment benefits.

If you are a customer of Varma and are aged 56 or older, you can assess your partial old-age pension by logging in to Varma's eServices. You can also estimate the amount of your partial old-age pension using the calculator at: [varma.fi](#) > [Private customer](#) > [Amount of pension](#).

How to apply for partial old-age pension

- 1. Plan.** Estimate the amount of your pension in our eServices. Also think about whether your current employment earnings will change, because working while drawing partial old-age pension is voluntary. Also note that if you opt for partial old-age pension, even if the amount you work and your employment earnings remain the same, your gross earnings and tax percentage will rise. You can estimate the amount of your withholding tax using the tax percentage calculator on the website [vero.fi](#).
- 2. Arrange.** If you are employed and wish to reduce your working hours, you must arrange that with your employer.

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 earned income under the Self-Employed Persons Pensions Act (YEL) in your pension application. Entrepreneurs must have YEL insurance if, while they are drawing partial old-age pension, the amount of their work input exceeds the lower limit for the mandatory insurance (€7,799.37 in 2019).

- 3. Prepare.** Be sure to have the following on hand for the application:
 - Your bank account number in IBAN format
 - The contact details of your employers over the past year
 - Information about other compensation or pensions
 - Information about other benefits or daily allowances during the current and the previous year
- 4. Apply.** Apply for the pension two weeks before the start of your retirement. The quickest way to submit your application is by selecting the application form for partial old-age pension at [varma.fi](#). Applications are also available at [tyoelake.fi](#) and from the Social Insurance Institution of Finland (Kela). Partial old-age pension is not paid as national pension.

Partial old-age pension can begin, at the earliest, at the start of the month after it was applied for.

For more information, please visit: varma.fi >
[Private customer](#) > [Applying for pension](#).

Your pension will be paid into 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.

Apply for a tax card for pension income after you receive a decision

If we do not have a tax card for your pension, we will withhold 40% tax on your first pension instalment. 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 as soon as we have received the tax card for pension income from the tax office.

How long is pension paid for?

We will pay you partial old-age pension until you switch entirely to old-age pension. You can raise the amount of your partial old-age pension once from 25 to 50 per cent of your pension before finally retiring on old-age pension.

When you decide to switch entirely to old-age pension, you must apply for it separately. The share (75 or 50 per cent) of your accrued pension that remained on hold when your partial old-age pension began will then be added to your pension.

You will additionally receive the pension that accrued from the work you performed while drawing a pension. You accrue new pension normally on the income you earn while drawing partial old-age pension.

Old-age pension after partial old-age pension

Before partial old-age pension	While drawing partial old-age pension	While drawing old-age pension
	Year when partial old-age pension began and pension that has accrued since then	Old-age pension
Pension accrued up until the end of the year preceding the year when partial old-age pension began	Pension not yet granted 75 or 50%	
	Partial old-age pension 25 or 50%	

You can estimate the amount of your partial old-age pension and the subsequent old-age pension on our eServices.

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

Varma is at your service in all matters related to earnings-related pension at www.varma.fi.

Our eServices for private customers consist of

- employment pension record
- pension estimates
- pension applications
- rehabilitation applications and services
- services for pensioners
- messages and attachments

When you apply for pension or rehabilitation, you can order documents containing decisions that concern you to be sent to your electronic archive.

Varma Mutual Pension Insurance Company

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