Applying for Pension from Abroad

Did you know that you can apply for a pension even for work you did abroad in the 1960s?

The Finnish Centre for Pensions is at your service when you apply for a pension for work abroad. It manages contacts with other EU/EEA countries – and countries with a social security agreement with Finland – in matters concerning pension applications. The Finnish Centre for Pensions forwards all information regarding the pension application to the country in question, using jointly agreed application forms.
Residents of Finland may claim pension rights that they have accrued in EU and EEA countries, as well as in countries that have a social security agreement with Finland, at the same time as they apply for a pension in Finland. In addition to the Finnish pension application form, the applicant must also fill in an additional form called Appendix U, containing details of periods spent working and living abroad. The pension application is initiated and the application process begins in all EU countries simultaneously, once the application has been received in Finland. The Finnish Centre for Pensions forwards the application data to the EU/EEA countries and the social security agreement countries.

Pension application forms are provided by the Finnish Centre for Pensions, authorised pension providers and the offices of the Social Insurance Institution of Finland (Kela). The pension applicant may return the completed forms to any of the aforementioned institutions. The forms can also be printed out from the following websites: www.etk.fi, www.tyoelake.fi and www.kela.fi.

Applicants who reside in an EU or EEA country or in a country with a social security agreement with Finland should apply for their Finnish pension through the pension authority of their country of residence. From there, the application is forwarded to the Finnish pension providers for processing.

**Pensions from EU and EEA countries**

EU regulations and social security agreements ensure that foreign workers
- receive social security benefits on the same conditions as the country’s own citizens
- get their pensions paid from one country to the other
- are insured in only one country, i.e. insurance contributions are paid to only one country at a time.

In addition to Finland, the following are EU countries: Austria, Belgium, Bulgaria, Croatia, Cyprus, the Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom. EEA countries include Iceland, Liechtenstein and Norway. Additionally, the EU has an agreement with Switzerland stipulating the application of the EU’s social security rules in the country.

**Pensions from countries with a social security agreement with Finland**

The purpose of the social security agreements is, among other things, to guarantee reciprocal pension payment from one agreement country to another. However, the agreements differ from one another, and not all types of pension are necessarily covered.
Finland has concluded bilateral social security agreements with Australia, Chile, India (will come into force in the spring of 2014), Israel, Canada, Québec and the United States.

Pensions from countries without agreements with Finland

For a large number of countries outside the EU/EEA and social security agreement countries, it is up to the applicants themselves to clarify their pension entitlement. Contact details for these countries are provided by the Finnish Centre for Pensions upon request.

Applying for the pension

When a person living in Finland applies for a pension from an EU/EEA country and/or a social security agreement country, he or she must fill in a national Finnish pension application form and Appendix U. Pension applications from EU/EEA countries are initiated on the basis of these forms. When applying for pension from a social security agreement country, the Finnish Centre for Pensions will send the applicant a separate application form. The application can also be filled in on the internet and printed up at the web address www.tyoelake.fi. The pension application form for social security agreement countries is always returned directly to the Finnish Centre for Pensions.

When applying for pension from an EU/EEA country or a social security agreement country, the countries from which pension is being applied for should be listed on the application form. When applying for old-age pension, the date when the applicant would like the foreign pension to start should also be included. The retirement age varies between countries. Although retirement at the age of 65 has been quite common until now, a number of countries are currently raising their retirement age; this change may entail lengthy transitional periods. In some countries, pension may be taken early, before the actual retirement age, or it may be postponed until after reaching the actual retirement age. Postponing the pension or taking it early may affect the pension amount.

It is worth the while to find out what impact a foreign pension will have on benefits currently being paid and on earnings-related pension accrual in Finland before submitting the pension application.
The following data is required when filling out Appendix U:

- periods of working and living abroad
- the employer’s name and place of domicile
- work assignments or profession
- addresses of places where the applicant has lived
- the foreign social insurance number that corresponds to a Finnish personal identity number, if available
- the name of the foreign social insurance institution or system, if available
- copy of documents relating to employment/residence abroad, e.g. certificate of employment, work record, wage slips, social insurance cards or certificates of study.

Appendix U to be carefully completed

Appendix U must be carefully completed, as the data provided will form the basis for all application processing abroad, as well as for determining the applicant’s entitlement to pension. It is important that you report all employment and residence abroad using Appendix U, since this data is not available anywhere else.

Each country makes its own pension decision

Each country will grant the pension or reject the pension application based on its own legislation. Retirement ages, for example, vary between countries. Receiving disability pension from one country does not mean that all other countries will grant disability pension on the same grounds. The pension amount is also calculated in each country based on the period of work and/or residence that is insured there. The foreign pension authority will issue the pension decision in the language of that country, and pay the pension directly to the pension recipient.

If the applicant is not satisfied with the decision of the foreign pension authority, he or she may appeal the decision either in Finnish, in Swedish, or in some other official EU language. The appeal must, first and foremost, be sent directly abroad according to the instructions for filing an appeal, which are sent along with the decision, or it may be delivered to the Finnish Centre for Pensions, an authorised pension provider or the Social Insurance Institution (Kela) to be forwarded abroad.
Stages of the application processing
When both Finnish and foreign pensions are being applied for using the same application form, the pension provider processes the application for earnings-related pension in Finland. Kela usually does not make a decision on the residence-based national pension and the guarantee pension until the amount of earnings-related pension and benefits that will be paid to the applicant from Finland and abroad has been determined.

The Finnish Centre for Pensions fills out the joint pension application forms that are used in the EU area, and attaches to the application a certificate of insured employment periods in Finland and Kela certificate of periods of residence in Finland.

Following this, the Finnish Centre for Pensions will send the application to the foreign pension authority, which might request additional information from the applicant in order to process the application. It is very important to respond to these requests. Not responding may lead to the pension application being rejected.

Upon request by the applicant, the Finnish Centre for Pensions will summarise the main points of the decisions once all foreign and domestic pension decisions have been issued.

Pension application processing time abroad
The processing of applications in EU/EEA countries and in social security agreement countries may last anywhere from six months to several years. It is a good idea to apply for old-age pension from abroad roughly 6 months before the intended retirement date.
Retroactive payment of pension

Since the processing time for pension applications is often longer abroad than it is in Finland, the foreign pension may be granted and paid retroactively. Retroactive pension payments from a foreign country may lead to the recovery of benefits in Finland.

Recovery may also occur in cases where the pension of the foreign country is paid starting at an earlier date than the Finnish pension. EU legislation is applied in such cases.

In some cases, pension paid from a foreign country may be recovered if sickness or unemployment benefits, income support or pension has been granted by Finland for the same period of time.

The impact of foreign pension on Finnish benefits

Statutory earnings-related pension (disability or old-age pension) granted by a foreign country may have an impact on earnings-related pension accrual in Finland if the pension recipient continues working or remains self-employed in Finland. In Finland, it is possible to retire on old-age pension between the ages of 63 and 68. Earnings-related pension accrues on one's annual earnings at a rate of 1.5 per cent per year between the ages of 18 and 52, at 1.9 per cent between 53 and 62 and at 4.5 per cent between 63 and 67. If a person who is working also receives earnings-related pension from another country, the rate of earnings-related pension accrual on his/her annual earnings in Finland will only be 1.5 per cent, regardless of the person’s age.

Receiving a foreign pension may also affect the granting or payment of other benefits in Finland. Statutory earnings-related pension from abroad might prevent the granting and payment of part-time pension. Pension from abroad may also affect the payment of unemployment benefits, the sickness allowance and the financial aid for students, and may lead to the recovery of benefits that have already been paid.

Mandatory insurance for the self-employed (YEL insurance) ends if the person is granted Finnish or foreign statutory old-age pension. The self-employed person can then take out voluntary pension insurance for the self-employed.

Additional information about the impact of foreign pensions on part-time pensions, on the accrual of earnings-related pension, and on the insurance obligations of the self-employed is provided by the authorised earnings-related pension providers; information about earnings-related unemployment allowance is available from unemployment funds; and information on benefits paid by Kela is available through their offices.
Taxation of the pension

Further information about the taxation of foreign pensions is available from the Finnish Tax Administration’s service for international tax situations at the number +358 20 697 024, or online at www.vero.fi.

Preliminary calculations from foreign countries

You may request a preliminary estimate (preliminary calculation) of pension from a foreign country directly from the pension authority of the EU/EEA or social security agreement country in question. The information required for such a request varies according to the country. Contact information is available from the Finnish Centre for Pensions.

Occupational pensions to be applied for independently

In many countries, statutory pension provision is complemented by occupational pensions. The Finnish Centre for Pensions does not forward applications for such pensions to foreign countries because, as a rule, they are not covered by the EU Regulation and the agreements on social security. Applicants are responsible for clarifying possible entitlement to occupational pensions themselves.

Changes to be reported

The pension recipient must inform the payer of the foreign pension of any changes that have occurred in his or her circumstances (e.g. country of residence, address, marital status, and information about the start of employment). EU/EEA and social security agreement countries usually request a so-called Certificate of Life from their pension recipients on an annual basis. In most cases, the certificate must be authenticated and stamped by the authorities (e.g. the Finnish Centre for Pensions or Kela) of the pension recipient’s country of residence. If the certificate is not returned, the foreign pension authority may interrupt the pension payment.
Further information

The Finnish Centre for Pensions’ Department for International Pension Matters offers advice on how to apply for a pension and help with clarifying the contact details of foreign pension institutions, tel. 029 411 2818. It is also possible to ask pension-related questions on the website www.tyoelake.fi.

Shortcut to Finnish pension information

You can easily check your own pension data online at www.tyoelake.fi. Identification can be made using Finnish online banking codes.

A pension record service is offered by the joint web service of the earnings-related pension scheme. From there, the insured can retrieve an estimate of their pension accrued in Finland by way of an electronic pension record.

In addition to employment and earnings data, the electronic pension record also shows information on accrued earnings-related pension, as well as on the pension possibly accrued on the basis of certain social security benefits.

The web pages of the pension providers can also be accessed online at www.tyoelake.fi.