

Does part-time pension extend working lives?

A Finnish case study

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Helsinki 2016

ISBN 978-951-691-248-9 (PDF)

ISSN 1798-7490 (verkkojulkaisu)

COVERING NOTE

The idea of this case study is to examine whether the part-time pension arrangement has extended working lives in Finland. This report is an edited version of a deliverable within a contract with Eurofound, as an input for Eurofound's Research Report 'Extending working lives through flexible retirement', available at <http://bit.ly/PartialRetirement>. With slight modifications, this case study report follows the guidelines and structure that were agreed for the deliverable with Eurofound. Opinions expressed are those of the contractor only and do not represent Eurofound's official position.

The authors would like to thank Janne Salonen for providing the register data and valuable comments. We are also thankful to Susan Kuivalainen, Mikko Kautto and Marjukka Hietaniemi for their guidance. In addition, we would like to express our gratitude to Hans Dubois, Georgiana Runceanu and Robert Anderson from Eurofound for their insightful comments during the research process. We are grateful to Suvi Pohjoisaho for the layout of the report, and to Joanna Nylund for the language checking of the text.

SUMMARY

Since 1987, part-time pension has been an option for older workers in Finland to reduce the working hours of their full-time work while simultaneously starting to withdraw a part-time pension benefit. The idea of this case study is to examine whether the part-time pension arrangement has extended working lives, at least for some groups of people.

The Finnish part-time pension scheme is part of the statutory earnings-related pension system. The statutory earnings-related pension system covers all work in the public and private sectors. The part-time pension scheme was established in the private sector in 1987 and in the public sector in 1989. The scheme will be abolished from the beginning of 2017 and replaced with a partial early old-age pension arrangement.

Over the years, the part-time pension has undergone several adjustments. Originally, the scheme was applied to persons between the ages of 60 and 64, but as of 1994 the qualifying age was lowered and the age limit set at 58 years. The age limit for the scheme was then lowered on an experimental basis from 58 to 56 in 1998 for four years. The upper age limit stayed the same throughout this period. In 2011, age limits were set to 60–67 and in 2013, the lowest qualifying age was set to 61.

The changes in the terms and conditions for part-time pension are clearly visible in the volumes of new retirees on a part-time pension during different years. In the first years after the scheme had been established, very few decided to utilize it. There were some full-benefit early retirement schemes available and people saw these schemes as more attractive options. When the age limits were lowered, the part-time pension scheme became more attractive and more people started receiving it.

In 2015 there were approximately 12,000 people receiving part-time pension. That figure represents around 12 per cent of the age group from 60 to 67 who work without withdrawing disability or old-age pension. Around 60 per cent of part-time pensioners are women. In the private sector there are more men on part-time pension, and in the public sector, more women. This is very much in line with the gender distribution of the two sectors.

In this report, we analyze our system-level registers and compare the length of working careers of the persons who took up part-time pension in 2005 at the age of 58 with their peers who stayed in employment. We compare the length of

working careers of these two groups in 2005 and in 2014, when the groups have reached the age of 67. Our data show that part-time pensioners end up having longer working careers when measured in years. However, this is explained by the fact that part-time pensioners have a longer working career already before taking up part-time pension.

The part-time pension seems quite a clear path towards old-age pension, as 90 per cent of part-time pensions ended in a transfer to old-age pension. When comparing the figures of the years 2005 to 2015, we see that the share of those who transferred to old-age pension grew, as in 2005 approximately 75 per cent of part-time pensions ended with a transfer to old-age pension.

Surveys conducted over the years show that part-time pensioners are quite satisfied with the scheme. Among those who reported to have problems, the biggest difficulties with part-time pension were: problems with staying up-to-date with the affairs of the workplace, feeling estranged from the working community and difficulties with staying inside income limits.

It seems that people take up part-time pension due to both push and pull factors. The most common reasons for the take-up of part-time pension are a desire to have more time for family and hobbies – part-time pension is a soft transition to full retirement and many respondents feel that they have been doing full-time work long enough. Push factors mainly relate to the strenuousness of work and to the bad health condition of the individual. In the surveys, approximately half of all respondents have said that they would have kept working full-time until retirement age if the possibility of a part-time pension had not existed.

For this study we conducted four interviews with relevant stakeholders representing social partners, employers and part-time pensioners. They express their views on the question of whether part-time pension has extended or could extend working careers. The stakeholders have somewhat contradicting views on part-time pension; the employer confederation opposes the arrangement whereas the employee side strongly supports part-time pension. As for the individual level, the part-time pensioner we interviewed was very satisfied with the part-time pension arrangement.

TIIVISTELMÄ

Vuodesta 1987 alkaen ikääntyneillä työntekijöillä on ollut mahdollisuus siirtyä osa-aikaiseen työntekoon osa-aikaeläkkeen avulla. Tämän tapaustutkimuksen tarkoituksena on selvittää, onko osa-aikaeläke pidentänyt työuria.

Osa-aikaeläke on osa Suomen nykyistä työeläkejärjestelmää. Lakisääteinen työeläkejärjestelmä kattaa kaiken yksityisellä ja julkisella sektorilla tehtävän työn. Osa-aikaeläke luotiin yksityiselle sektorille vuonna 1987 ja julkiselle sektorille 1989. Osa-aikaeläke lakkautetaan vuoden 2017 alussa ja korvataan osittain varhennetulla varhaiseläkkeellä.

Vuosien saatossa osa-aikaeläkkeen sääntöjä on muutettu useaan otteeseen. Alun perin osa-aikaeläkkeelle saattoi jäädä 60–64-vuotiaana, mutta vuonna 1994 ikäraja laskettiin 58 vuoteen. Vuonna 1998 ikärajaa laskettiin neljäksi vuodeksi 56 vuoteen. Eläkkeen yläikäraja pysyi samana koko tämän ajan. Vuonna 2011 ikärajoiksi tuli 60–67 vuotta, ja vuonna 2013 alaikäraja nousi 61 vuoteen.

Osa-aikaeläkkeeseen tehtyjen muutosten vaikutukset näkyvät selvästi osa-aikaeläkkeelle siirtyneiden määrissä eri vuosina. Ensimmäisinä vuosina osa-aikaeläkkeen voimaantulon jälkeen vain harva käytti mahdollisuutta siirtyä osa-aikaeläkkeelle. Samanaikaisesti oli voimassa muutamia muita täyden eläkkeen varhaiseläkejärjestelyjä, jotka kiinnostivat ihmisiä enemmän. Kun osa-aikaeläkkeen ikärajaa laskettiin, sen suosio kasvoi.

Vuonna 2015 noin 12 000 henkilöä oli osa-aikaeläkkeellä. Tämä vastaa noin 12 prosenttia niistä 60–67-vuotiaista henkilöistä, jotka olivat työelämässä, mutteivät nostaneet vanhuus- tai työkyvyttömyyseläkettä. Noin 60 prosenttia osa-aikaeläkeläisistä on naisia. Osa-aikaeläkeläisistä miehet ovat enemmistönä yksityisellä sektorilla, kun taas naisia on julkisella sektorilla enemmän. Tämä jaotelu vastaa hyvin työntekijöiden sukupuolijakaumaa eri sektorien välillä.

Tutkimme tässä raportissa väestötason tilastoja ja vertaamme työurien pituutta kahden ryhmän välillä: niiden, jotka siirtyivät 58-vuotiaana osa-aikaeläkkeelle ja niiden samanikäisten, jotka jatkoivat työelämässä. Vertaamme näiden kahden ryhmän työuran pituutta vuosina 2005 ja 2014, kun seurantajoukko on saavuttanut 67 vuoden iän. Selvityksemme osoittaa, että osa-aikaeläkeläisillä on pidemmät työurat. Tämä kuitenkin selittyy sillä, että osa-aikaeläkeläisten työurat olivat jo pidempiä ennen kuin he siirtyivät osa-aikaeläkkeelle.

Osa-aikaeläke on selkeä väylä vanhuuseläkkeelle, noin 90 prosenttia osa-aikaeläkkeistä päättyy siirtymiseen vanhuuseläkkeelle. Vanhuuseläkkeelle siirty-

neiden osuus on kasvanut, vuonna 2005 noin 75 prosenttia osa-aikaeläkkeistä päättyi vanhuuseläkkeelle siirtymiseen.

Eri vuosina tehdyt kyselytutkimukset osoittavat, että osa-aikaeläkeläiset ovat varsin tyytyväisiä osa-aikaeläkkeeseen. Yleisimmät ilmoitetut ongelmat olivat ajan tasalla pysyminen työpaikan asioista, vieraantumisen työyhteisöstä sekä tulorajojen sisällä pysyminen.

Osa-aikaeläkkeelle siirrytään sekä työntö- että vetotekijöiden takia. Yleisimmät syyt siirtyä osa-aikaeläkkeelle olivat: halu viettää enemmän aikaa perheen ja harrastusten parissa ja osa-aikaeläke on pehmeä lasku täydelle eläkkeelle. Lisäksi monet vastaajat kokevat, että he ovat tehneet kokopäivätyötä tarpeeksi kauan. Työntötekijät liittyvät etenkin työn raskauteen ja huonoon terveydentilaan. Kyselyissä noin puolet vastaajista sanoo, että he olisivat jatkaneet kokoaikaisesti työelämässä vanhuuseläkkeeseen asti, mikäli osa-aikaeläkettä ei olisi ollut.

Tätä tapaustutkimusta varten suoritimme neljä haastattelua, joissa olivat edustettuina työmarkkinaosapuolet, työnantajat sekä osa-aikaeläkeläiset. Haastattelut kertovat oman näkemyksensä siitä, onko osa-aikaeläke pidentänyt tai voisiko se pidentää työuria. Haastateltujen mielipiteet eroavat jonkin verran. Työnantajien keskusjärjestö suhtautuu kielteisesti osa-aikaeläkkeeseen, kun taas työntekijäpuoli kannattaa sitä. Haastattelemamme osa-aikaeläkeläinen on erittäin tyytyväinen osa-aikaeläkkeeseen.

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1 Introduction

Ageing is a phenomenon that is putting pressure on European pension systems and welfare states (EC 2015). One proposed solution for securing the financing of the welfare state is to keep people working longer and at older ages. Many European countries have responded to this by raising the statutory retirement ages or by creating automatic balancing mechanisms to secure the financing of their pension systems (Vidal-Meliá et al. 2009). Simultaneously, more emphasis has been put on different arrangements that can enable people to prolong their careers by combining both work and retirement. Many pension systems in Europe have such arrangements (Eurofound 2016). One such an arrangement, enabling work and retirement, is the Finnish earnings-related part-time pension.¹ In this case study we look at the Finnish part-time pension scheme, shortly explain its development and use over the years, and assess whether or not it has extended working lives.

We start by briefly explaining the Finnish earnings-related pension system and the part-time pension scheme. Then we move on to look at how the scheme has been used over the years. Thirdly, we analyze our register data and assess whether or not the part-time pension has extended working lives. Before concluding the report, we summarize how the part-time pension is viewed in a broader context by the relevant stakeholders. We end our report with a discussion on the impact of part-time pension on extending working lives.

The data in this report is retrieved from The Finnish Centre for Pension's (ETK) administrative register data on income, working careers and pensions. We have complemented it with data from population-level demographic registers. We conducted four interviews of relevant stakeholders representing social partners, employers and part-time pensioners.

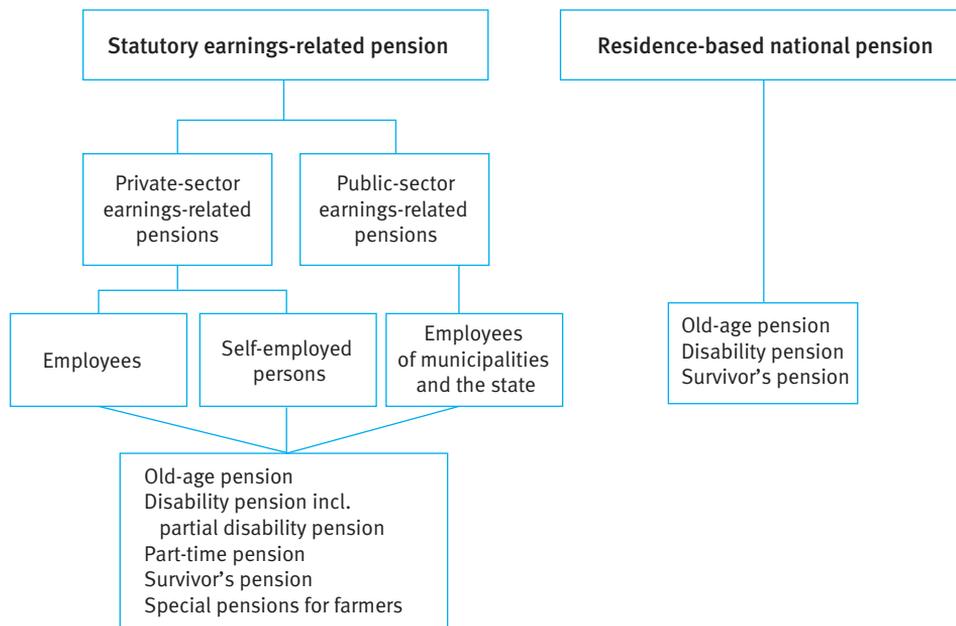
Furthermore, some additional data come from surveys. ETK has carried out three surveys on part-time pension recipients (years 1995, 2001, 2007) and one on small and medium-sized enterprises about their attitudes towards part-time pension (2001). The sample of surveys on part-time pensioners has ranged from 1,000 to 2,000 people and the response rate has been about 90 per cent.

¹ In the Eurofound report (2016) the Finnish scheme is referred to as partial retirement, but in this report we use the term part-time pension as it is a more established translation (see Iilmakunnas & Takala 2005; Takala 2007; Salonen & Takala, 2011).

2 Part-time pension in the Finnish pension system

The part-time pension is an option both in the private and in the public sector, and it is available for both wage-earners and self-employed persons. The part-time pension was introduced to the private sector in 1987 and to the public sector in 1989. The scheme will be abolished from the beginning of 2017 and replaced with a partial early old-age pension arrangement.

Figure 2.1.
The Finnish Pension Landscape.



The Finnish pension landscape consists of statutory earnings-related pension that is complemented by an earnings-tested and residence-based national pension.² In addition, there is a residence-based guarantee pension. If the pensioner's national and earnings-related pensions are sufficiently low, the guarantee pension

² Both of these pension schemes are covered by the EC Regulation on the Coordination of Social Security Systems (883/2004) and are thus 1st pillar pension systems.

supplements the pension to a minimum level defined in the law.³ In this case study we concentrate on the earnings-related pension system, since the part-time pension exists only within this system. Due to the comprehensive coverage of the statutory systems and the absence of a pension ceiling (neither in income nor in pension) in Finland, the significance of supplementary pension, i.e. occupational pensions or individual pension insurance, is negligible (Vidlund & Preusker 2013).

Residence-based pension provision is funded by taxes and the earnings-related pension provision mostly by contributions from employers, the self-employed and employees. The pension contribution fee for the private sector is on average 24 per cent of the salary.⁴ In the earnings-related scheme the state takes care of the contributions for certain social security benefit recipients.⁵ In addition, the state contributes to the financing of the schemes of the self-employed, farmers and sailors. No special financing mechanisms exist for the part-time pension scheme.

The financing of earnings-related pension is mixed, a combination of a pay-as-you-go system (75% of contributions) and a pre-funded (25% of contributions) system. The former flows through directly into pension payments; the latter is funded now, and paid out as pensions later (Ambachtsheer 2013).

The earnings-related pension insurance is obligatory for all employees and self-employed persons between the ages of 18 and 68. The pension insurance obligation ends at the age of 68. There is no fixed retirement age in the earnings-related pension scheme. The insured can retire on old-age pension at their own choice between the ages of 63 and 68. The age limits are the same for both sexes.

There is no obligation to take up the pension, and it can be deferred indefinitely after reaching the age of 68. In that case, the pension will be increased with a permanent increment for deferred retirement, which amounts to 0.4 per cent per deferred month.

3 The purpose of the guarantee pension is to provide residents of Finland with a minimum pension (€766.85 per month in 2016). The amount of the guarantee pension is affected by any other pension income one may have from Finland or abroad. A full guarantee pension is payable only to those with no other pension income. Other pension income is deducted in full from the full amount of the guarantee pension.

4 Employees of the ages 18 to 53 pay 5.7 per cent and those of the ages 53 to 68 pay 7.2 per cent. The employer pays the rest. For the self-employed, the pension contribution fee is the same as wage earners' total contribution (24.4 %).

5 Such as periods of child home care allowance and studies that lead to a degree.

2.1 Brief look at the history of part-time pension

The Swedish part-time pension, which was established in 1976, served as a model when the part-time pension was introduced in Finland in 1987. In the beginning it was mainly justified by “soft” values, i.e. served as a way to lighten the workload and provide a gradual path towards full retirement. The idea was that working lives could be extended by lightening the workload. In addition, one of the central goals of part-time pension was to offer an alternative to the disability pension. The introduction of a part-time pension was also seen as part of the bigger process of harmonizing the different retirement ages between the public and private sectors. Together with the individual early retirement scheme⁶ part-time pension was meant to replace the occupation-specific retirement ages that were common in the public sector.

Overall, early retirement schemes were viewed positively in the 1980s, and they were justified as promoting the well-being of the workforce. Early retirement schemes were also understood as mechanisms that could ease structural changes in production and the labour markets (Rantala 2008). It was only during and after the great recession of early 1990s that the debate around part-time pension gradually shifted towards its impact on working careers and the general economy (Hannikainen 2012).

The statutory earnings-related pension scheme is negotiated by tripartite agreement between the social partners and the government. Generally speaking Finland has a strong culture of tripartite bargaining and cooperation between social partners and the government. Social partners play an important role at the national level, and have enjoyed a strong influence in employment and social issues (Kangas et al. 2010). In addition, the social partners had an important role in the creation of the scheme, and the earnings-related pension system is mainly financed by employee and employer contributions.

2.2 Labour force participation of the older workforce

In 2015 the share of part-time workers was 13 per cent of the employed population.⁷ Part-time work has become more common ever since the recession of the 1990s.

⁶ The scheme offered the possibility to retire based on a medical condition with more lenient requirements than those in place for disability pension. The scheme was abolished in 2005. However, the medical requirements for a disability pension are still more lenient for persons over the age of 60.

⁷ Part-time work is measured in the Labour Force Survey study (Statistics Finland) by the respondent’s own declaration on whether they work full-time or part-time.

In the public sector this phenomenon is explained by part-time pension becoming more frequent, in the private sector one of the explanations is studies alongside part-time work (Sutela & Lehto 2013).

Among the age group of 55–69-year-olds in employment, the share of part-time workers is 18 per cent (Labour Force Survey 2012). Behind only the Netherlands, it is the second highest number in the EU. According to Eurostat, in 2014 the employment rate of 55–64-year-olds was 59.1 per cent, a figure well below its Nordic neighbors (cf. 74.0% in Sweden and 72.2% in Norway).

Employment alongside old-age pension has also become more common. In 2013, there were approximately 40,000 people in the age group of 63–68-year-olds who worked while receiving a pension, of them approximately 5,400 were part-time pensioners. (Kannisto 2014). Their share of all part-time pensioners was 26 per cent.

Based on administrative data, we can conclude that of those who are of pensionable age (i.e. 63+ years of age) and working (excluding part-time pensioners), approximately half work while withdrawing old-age pension at the same time, and half keep working without withdrawing pension.

3 Regulations of the part-time pension scheme

In 2016 the eligibility age for part-time pensions is 61 (and up to 67). There is a condition of full-time work.⁸ One cannot move onto a part-time pension from part-time work.⁹ During part-time pension, the earnings and the working hours of the employee need to decrease anywhere between 35–70 per cent of the stabilized earnings from previous work before the take-up of the pension.

The part-time pension benefit is 50 per cent of the difference between one's full-time and part-time earnings. Thus the amount of the benefit is not directly related to the accrued pension rights. For this reason it has been criticized for its costs, as they are not borne by the part-time pensioner but by the scheme.

A person receiving part-time pension accrues pension for earnings from part-time work based on the same rules as for full-time work. The earnings-related pension is a defined-benefit arrangement. Pension accrual is counted per year based on earnings and an accrual percentage depending on age (currently from 1.5% to 4.5%). Each year accumulates a 'slice' of pension, with the final pension being the sum of the slices (Barr 2013). Earnings from all employment are taken into consideration separately for each year between 18 and the take-up of old-age pension. The age-linked accrual percentage will be abolished from the beginning of 2017 and a general accrual percentage of 1.5 per cent will then apply to all.

Previously, in the case of a part-time pensioner, old-age pension was accrued also from the reduction in earnings. In the early years (from 1987 to 1994) this accrual alternated according to age, and the older the person was when he/she started to withdraw the part-time pension, the higher the accrual.¹⁰ Currently, pension accrues only from earnings from work.

The part-time pension is always agreed between the employee and the employer. The part-time pension is subject to the approval of the employer. In addition to fulfilling all the required conditions, the employee must agree with the employer on how the part-time work is to be arranged. The employer should aim at arranging part-time work but has no obligation to do so. Self-employed persons and farmers need to halve their work input and earnings.

8 The criterion of full-time work varies between industries and is stipulated in collective agreements.

9 Unless the individual is working several part-time jobs that together add up to full-time work.

10 From 1994 the accrual from the decrease in income was set at 1.5 per cent for everyone. In 2003 the accrual was halved, and since 2011, for people born 1953 or after, there has been no pension accrual from the reduction.

Pension providers monitor the limits on earnings on a yearly basis. There is a possibility to put the part-time pension on hold for a maximum period of six months if the employee returns to full-time work.¹¹

The part-time pension is available for those who

- are between the ages of 61 to 67
- have accrued earnings-related pension for at least 5 years in the past 15 years
- are not drawing any other pension in their own right
- are able to agree on a reduction (between 35–70%) of working hours with their employer.
- In the private sector: have been in full-time employment for at least 12 months during the last 18 months. There can be a six month elapse between full-time employment and the start of part-time pension.
- In the public sector: have been in full time employment for at least three years in the last five years. The person must move straight from full-time employment to part-time pension.

In the autumn of 2014, the social partners together with the Government agreed on a pension reform. The president signed the reform in January 2016. The pension reform introduced big changes to e.g. the retirement age. The reform will come into force in the beginning of 2017. As part of the reform the part-time pension will be replaced by a partial early old-age pension. The following box describes the characteristics of the new partial early old-age pension.

11 During this time the pension benefit is not paid and the limits on income and work time are not followed.

Partial early old-age pension

From 2017 on the part-time pension scheme will be abolished and replaced by a partial early old-age pension. The age limits remain constant to the current situation and in 2017 the partial early old-age pension can be withdrawn two years prior to the retirement age.

The pension reform of 2017 will bring changes to the retirement ages. The old-age retirement age will be increased annually by three months from the year 2018 onwards, and in 2027 it will be 65 years. After 2027 the retirement age will be linked to changes in life expectancy. The age limit for partial early old-age pension will be 61, and after 2025 it will be raised to 62. After this it will be increased in line with the increase of the earliest retirement age.

The partial pension can be withdrawn as either as a 50 or 25 per cent pension. The pension will be calculated on the accrued pension right of the individual and a permanent reduction of 0.4 per cent will be calculated for each month that the pension is advanced from the old-age retirement age. The permanent reduction will only apply to the part of pension that is withdrawn. On the other hand, there will be an increment (0.4% per month) for deferred retirement to the accrued pension after the (earliest) retirement age.

A person who starts to withdraw partial early old-age pension can reduce their working hours, but it is not required or monitored in any way. Thus the biggest difference with the new scheme is that the partial pension benefit will be decoupled from work, making it easier to combine work and partial pension in the future.

4 Part-time pension over the years

Over the years the part-time pension has undergone several adjustments. Originally, the scheme was applied to persons between the ages of 60 and 64, but as of 1994 the qualifying age was lowered and the age limit set to 58 years. The purpose of the reduction was to increase the popularity of the scheme. The age limit for the scheme was then lowered on an experimental basis from 58 to 56 in 1998 for four years. The upper age limit stayed the same throughout this period. In 2005 the upper age limit was set to 67, to align it with the new flexible old-age retirement age of 63 to 68 that was introduced that year. In 2011, the part-time pension age limits were set from 60 to 67 and in 2013 the lowest qualifying age was set to 61.

In the first years after the scheme had been established very few took it. The changes in the age limits were justified by the fact that the part-time pension did not appeal to people. There were some full-benefit early retirement schemes available, such as individual early retirement pension and unemployment pension. People saw these schemes as more attractive options. For example, in 1991 there were more than 39,500 people receiving individual early retirement pension but only 230 receiving part-time pension (Government proposal 141/1991). Also, as the scheme became more well-known towards the end of the 1990s, more people started to apply for it (Takala 2001b).

When age limits were lowered, the part-time pension scheme became more attractive and more people started receiving it. When the eligibility age was temporarily dropped to 56 years in 1998, the aim was that more people would start taking up part-time pension instead of early retirement pension benefits and this would manifest in longer working careers.

However, studies (e.g. Takala & Hietaniemi 2008) could not provide any clear evidence that the lowering of the eligibility age would have a positive impact on the length of working careers. And as the Finnish population was quickly becoming older, the Government decided to raise the age limits before the baby boomer generation would reach them (Government proposal 45/2002).¹² Hence after four years, the age limit was restored back to 58 years.

12 In Finland the baby boomer generation is the age cohort born between 1945 and 1950.

4.1 Main figures of the part-time pension scheme

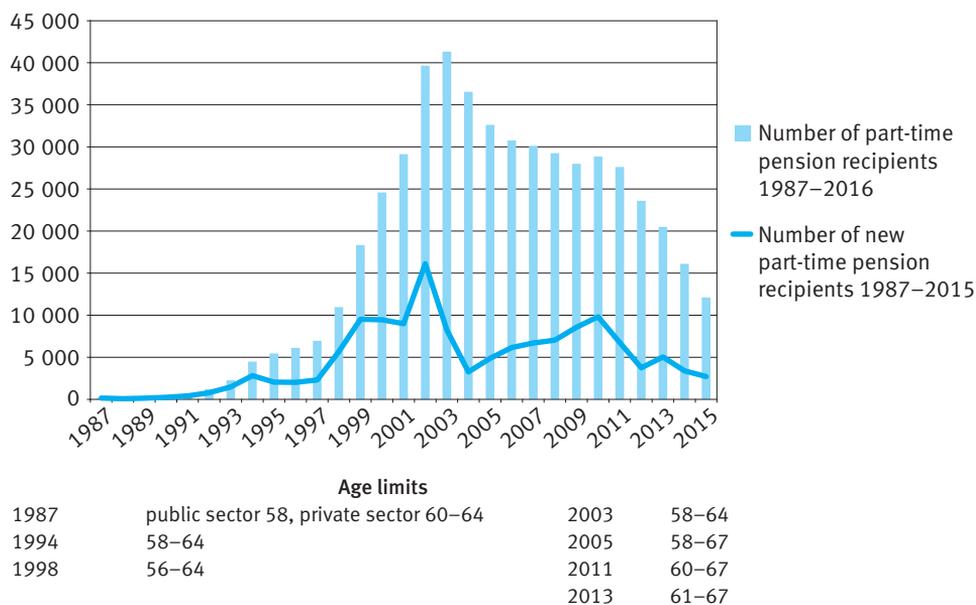
The changes in the terms and conditions for part-time pension are clearly visible in the volumes of new retirees on a part-time pension during different years (figure 4.1). During the first ten years the scheme did not gain much popularity. Since the turn of the millennium, however, the scheme started to attract more employees.

The highest peak for new part-time pensioners was reached in 2002, when there were more than 16,000 new part-time pensions and the incidence rate¹³ to start taking a part-time pension was at its highest among the age group of 56–57-year-olds (8%). This high willingness to transfer to a part-time pension is likely due to the fact that the eligibility age was going to be raised by two years in 2003.

Many people used this last opportunity for them to start withdrawing the pension at a lower age, and a large part of the new part-time pensioners came from the age group that would not have been able to start taking the pension in the next two years. In the subsequent two years there was a clear decrease in the number of new part-time pensions.

Figure 4.1.

The number of new part-time pension recipients and all part-time pension recipients, 1987–2015.



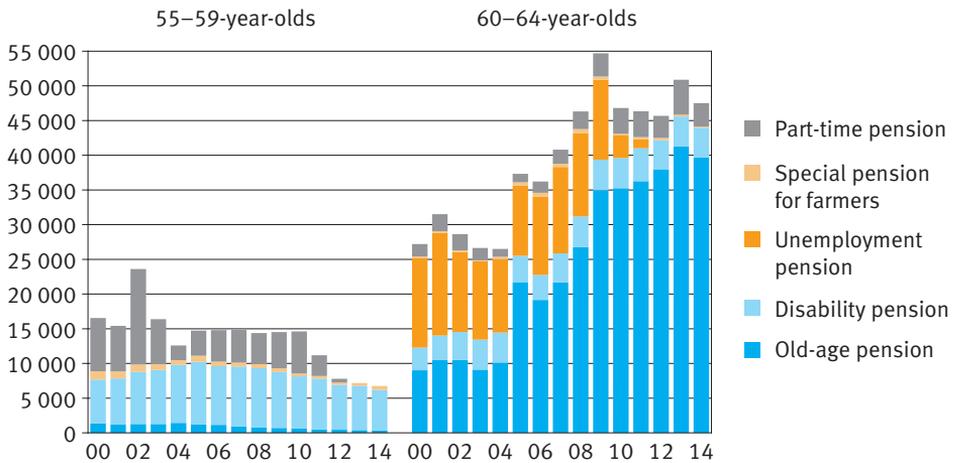
¹³ The incidence rate is the number of new part-time pensioners per employed at the same age in the previous year.

In 2014, approximately 70,000 persons started receiving earnings-related pension based on their own work history (old-age, disability or farmers' pension).¹⁴ In addition, some 3,400 persons started receiving part-time pension.¹⁵ In total there were around 16,000 people receiving part-time pension in 2014, and in 2015 this number had been reduced to some 12,000 people. The highest number of part-time pensioners was seen in 2003, when more than 41,000 people were receiving part-time pension.

According to three surveys, people on part-time pension worked approximately half (54%) the amount compared to their previous full-time work.

Figure 4.2.

Persons aged 55–64 having retired on an earnings-related pension in 2000–2014, by pension benefit.¹⁶



14 The unemployment pension was abolished in the pension reform of 2005 for those born in 1950 or later. Since 2015 no unemployment pensions are in payment. Also the individual early retirement scheme was abolished in 2005 reform. However, there is still the option of the ‘unemployment pathway to retirement’, where the individual is entitled to an extended period of earnings-related unemployment benefit until reaching retirement age.

15 Part-time pensioners are not counted as “being retired” in the statistics as they are classified as employed.

16 In fig. 4.2, the individual early retirement scheme is included in disability pensions.

Prior to the year 2005 the age limit for old-age pension was 65 years. In the reform of 2005 the concept of flexible retirement age was created, and the new age limit was set ranging from 63 to 68. This explains the significant increase in the amount of old-age pensions in the age group 60 to 64.¹⁷

In 2015 there were approximately 12,000 people receiving part-time pension, around 60 per cent of whom were women. If we look at the division of part-time pension by gender in the public and private sectors, we can see that there are more men on part-time pension in the private sector and more women in the public sector. This is very much in line with the gender distribution of the two sectors.

Table 4.1.

60+ workers' share by gender in the public and private sectors, per cent in employment and in part-time pension in 2015.

	In employment (60 +)	In employment (60 +)	In employment (60 +)	Part-time pensioners (60 +)	Part-time pensioners (60 +)	All part- time pensioners (60 +)
	Men (%)	Women (%)	Total	Men (%)	Women (%)	Total
Public sector	27.8	72.2	100.0	26.3	73.7	100.0
Private sector	61.1	38.9	100.0	55.9	44.1	100.0

In both sectors we can see a small overrepresentation of women on part-time pension. This overrepresentation of women in the age group of part-time pensioners is higher in the private sector (44.1% on part-time pension and 38.9% in employment).

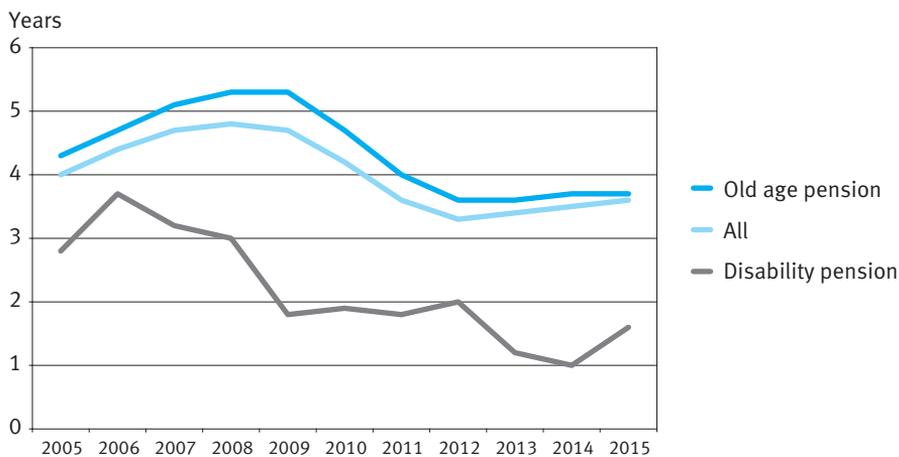
From Table 4.2 we can see that the highest incidence of part-time pension is always at the lowest eligibility age. This concludes with the observations made of the public partial retirement scheme in Sweden in 2009, where a similar trend was observed (Lachowska et al. 2009). The table also suggests that after the earliest eligibility age for old-age pension, the take-up of part-time pension becomes more rare.

¹⁷ Due to historical reasons there are still some older occupational groups in the public sector who have different retirement ages, but their amount is decreasing all the time.

Table 4.2.*Incidence of part-time pension 2008–2014.*

Age	2008	2009	2010	2011	2012	2013	2014
58	3.6	4.2	5.0				
59	3.3	3.7	4.2	4.3			
60	2.4	3.0	3.5	3.3	2.6	4.6	
61	2.3	2.9	3.1	3.0	2.4	2.5	3.7
62	1.8	2.1	2.3	2.2	2.0	2.0	2.1
63	1.2	1.3	1.3	1.4	1.4	1.3	1.4
64	0.6	0.9	0.8	1.0	0.8	0.9	1.0
65	0.3	0.4	0.3	0.3	0.6	0.5	0.6
66	0.2	0.0	0.1	0.3	0.1	0.3	0.3
67	0.0	0.0	0.0	0.1	0.0	0.1	0.2

The time people stay on part-time pension was 4 years in 2005, decreasing to 3.6 years in 2015.¹⁸ This reflects the changes in the age limits as well. In the 2007 (Takala) survey part-time pensioners on average deemed 4.7 years to be a good time to be on part-time pension. This figure corresponds remarkably well to the time people actually stayed (4.7 years) on part-time pension (of part-time pensions that ended in 2007). In 2014 the average take-up age was at 61.7 years, in 2005 the average take-up age of part-time pension was at 59.2 years (Kannisto 2015).

Figure 4.3.*The length of part-time pensions (in years) according to reason for ending.*

18 Based on administrative data of the part-time pensions that ended that year, regardless of reason why they ended.

As a rule of thumb, one could say that the lower the eligibility age for part-time pension is compared to the statutory retirement age, the longer people stay on part-time pension. During the last few years there has not been much difference between men and women in the time spent on part-time pension. Previously, when there was a difference, women spent a longer time receiving part-time pension.

The part-time pension seems to be quite a clear path towards old-age pension, as 90 per cent of part-time pensions ended because of a transfer to old-age pension. When comparing the figures of the years 2005 to 2015, we see that the share of those who transferred to old-age pension grew, as in 2005 approximately 75 per cent of part-time pensions ended with a transfer to old-age pension. This change over the years is explained mostly by two factors: there are fewer pensions that end since the conditions for part-time pension are no longer fulfilled, and because fewer people transfer to disability pension.

The transition from part-time pension to old-age pension happens on average at the age of 63.7 years (in 2014). The transition from full-time work to old-age pension happens around the same age, on average at 63.7 years. According to administrative data, in 2014, around 50 per cent of the transfers from part-time pension to old-age pension happened between the ages of 63 to 64, and 28 per cent happened between the ages of 64 to 65. 18 per cent happened after the individual in question had reached the age of 65.

4.2 Earnings of part-time pension recipients

The earnings of people moving into part-time retirement have been higher than those of their peers who continue in full-time employment. When examined across all ages and before the take-up of part-time pension, the net income for those on part-time pension has been, on average, approximately 30 per cent higher than that of their peers (Salonen & Takala 2011).

The average part-time pension was 757 euros in 2014. The average of the new part-time pensions starting in 2014 was a bit higher, 799 euros. The average part-time pension of women is 70 per cent of the average part-time pension of men.

Table 4.3.*The part-time pension amounts in 2015.*

Monthly pension by gender, average, median, the smallest pension (P5)* and the highest (P95)**, €/month				
	P5	Average pension	Median pension	P95
Male	417	927	800	1 833
Female	376	653	581	1 182
All	386	764	651	1 509

*: 5% of part-time pensioners have a smaller pension benefit.

**: 95% of part-time pensioners have a smaller pension benefit.

The impact of taxes has to be borne in mind when assessing the willingness to move into part-time pension. Generally speaking, the tax rate paid from the combined income of both pension and work income is lower than if the same income would consist only of pension or wage. For example, if the total income is 24,000 euros and half of that income comes from pension and half from work income, the tax rate is 15.9 per cent. If the whole income would come either from work or from pension, the tax rate would be 21.4 per cent (work) or 21.1 per cent (pension). (Knuuti & Ritola, 2016.)

4.3 How do the part-time pensioners view the arrangement?

According to open-ended questions in the surveys, the part-time pensioners are satisfied with the scheme (Takala 1999; Takala 2001b; Takala 2007). Among those who reported to have problems (in 2007), the biggest difficulties with part-time pension were: problems with staying up-to-date with the affairs of the workplace (mentioned by 22%), feeling estranged from the working community (13%) and difficulties with staying inside the income limits (8%). If we examine those who had problems in their working community, we can conclude that there were more women than men, they were more often employed in the public sector and in big workplaces (of 500 employees or more). Their health condition was slightly worse as well. (Takala 2007.)

It seems that people take up part-time pension due to both push and pull factors. In one sense, people are able to “buy” free time through the part-time pension. This extra free time is then spent with family or doing hobbies. The respondents were asked about care duties related to family and close relatives. Among the respondents, 36 per cent reported having care duties (Takala 2007).

Mostly these tasks had to do with grandchildren, their own parents or those of their spouse, or their own kids.

The surveys indicate that with sufficient income or assets it is easy to start taking up part-time pension. Push factors mainly relate to the strenuousness of work and to the bad health condition of the individual. Many feel that they have been working full-time long enough.

Table 4.4.

Reasons for the take-up of part-time pension (in %) in 2007.

	Main reason	At least one of the reasons
Desire to have more time for family and hobbies	15.6	33.3
Part-time pension is a soft transition to full retirement	12.2	52.9
Had been doing full-time work long enough	11.4	38.2
Full-time work was physically too heavy	10.5	22.0
Full-time work mentally too heavy	10.0	30.7
Bad health condition	8.2	15.8
Part-time pension together with work income are sufficient for living	5.1	43.6

Source: Takala 2007.

There have been three surveys of part-time pensioners during the years 1995, 2001 and 2007. Every time the respondents have been asked what they would have done in case there had not been any possibility of a part-time pension. The options to this question were: a) I would have kept working full-time until retirement age, b) I would have kept working for some time but not until retirement age, c) I would have immediately applied to an early retirement scheme.¹⁹

In all of the surveys, approximately half of all respondents said that they would have kept working full-time to retirement age. In 2007, some 49 per cent said that they would have kept working full-time, 26 per cent would have kept working for some time, and 11 per cent would have applied for a full pension. 14 per cent of respondents did not respond to this question.

When we look at the answers on self-reported health condition, we can observe that if the health condition was good, a significantly larger share of the people in employment would have kept working full-time than if their health condition was moderate or bad.

¹⁹ Mainly meaning disability pension.

Table 4.5.

What he/she would do without the part-time pension, according to self-reported health condition.

Self-reported health	Go on working full-time until old-age retirement	Go on working full-time for a while, but not until old-age retirement	Apply for retirement straight away	Can't say	All
good	64.9	18.5	5.4	11.2	100
moderate	35.3	33.0	14.2	17.5	100
bad	10.7	45.3	28.0	16.0	100
all	49.3	26.2	10.6	13.9	100

p.<.0001.²⁰

The group whose health condition was bad and who would have decided to apply for a pension immediately consisted of a small group with the following distribution: more women, more people with low educational level, diverse occupational background, income was primarily either satisfactory or bad and for the majority the take-up of part-time pension was due to bad health or arduousness of work. (Takala 2007.) The share (approx. 11%) of this group has remained constant in the surveys (Takala 2001b; Takala 1999).

In the survey, the part-time pensioners also assess their ability to work, and 47 per cent felt that they had good work ability. Some 15 per cent assessed themselves as having clearly reduced work ability. Of those who responded as having good work ability, 67 per cent would have kept working full-time, and if the work ability was clearly reduced, only 20 per cent would have continued to work full-time (Takala 2007).

In 2007 the main occupational sectors where part-time pensioners worked were social and health care services, education and industry. Part-time pensioners were the most numerous in small (less than 10 employees) and big (more than 500 employees) workplaces.

In 2001 there was a study on small and medium-size enterprises and their views on part-time pension (Takala 2001a). The employers who responded had a fairly positive view; nine out of ten of their employees interested to take up part-time pension could have done it. In the cases where it would not have been possible to move to a part-time pension, this was due either to the fact that the

²⁰ The Chi-square test is for determining the probability that a given result could not have occurred by chance. The p-value<.0001 means, that there is strong association between the two variables (what would he/she do without part-time pension and self-reported health).

employee held a central role in the working community (e.g. a supervising role), or due to the nature of the work (e.g. tasks could not have been divided, the work was not regular or full-time).

According to a study on the opinion of employers towards flexible retirement (Tuominen et al. 2004), two thirds of employers were interested in providing temporary or part-time work for people already on old-age pension. Especially employers in the municipal sector were interested in offering this kind of work.²¹

4.4 The cost of part-time pension

The cost of part-time pension is 0.6 per cent of the total statutory private sector pension expenditure (2014). The cost is calculated as the share of part-time pension benefits in the total pension benefits paid out of the statutory private-sector pension system. No special levy or contribution exists to finance the costs of part-time pension. Neither is there a targeted contribution nor a cost for the company or part-time pensioner him/herself.

Table 4.6.

Part-time pension expenditure in million euros and as a share of the total earnings-related pension expenditure in 2005, 2010 and 2014 (in nominal terms).

	Part-time pension expenditure (in MEUR)	Share of total pension expenditure (in %)
2005	225.1	1.6
2010	224.1	1.2
2014	165.0	0.7

²¹ Education and social and health care are largely done in the municipal sector.

5 Does the part-time pension extend working lives?

To answer whether or not part-time pension extends working lives is in no way easy. The question has usually been evaluated from two different perspectives. Firstly, researchers have studied whether part-time pension could prolong working careers by increasing the employment rate of the older workforce. Another approach has been to assess whether the overall work input of the whole career increases by working alongside receiving part-time pension. Even with good administrative data as in the Finnish case, it is extremely challenging to estimate the overall impact as we cannot know what people would have done if the option of a part-time pension would not have existed. The Eurofound report (2016) discusses more thoroughly the different ways we have of estimating the impact, and several different studies done in Europe that have estimated whether part-time pensions could extend working lives.

Part-time pension could extend working lives if working is prolonged after reaching retirement age, when peers start taking up old-age pension. Or, in a similar manner, part-time pension can extend working lives by decreasing the take-up of disability pension. It has been observed in Finland that part-time pensioners transfer to old-age pension around the same age as those in full-time employment and do not keep working more after reaching the old-age retirement age (Ilmakunnas & Ilmakunnas 2006; Hakola 2002).

Some studies (e.g. Elo 2008) suggest that part-time pension has diminished work input, although it is difficult to assess the reduction of the overall work input.

For this study we followed the group of 58-year-olds who took up part-time pension (hereinafter ‘the part-time pension group’) in 2005, comparing them to their peers who stayed in employment (hereinafter ‘the employment group’). We compared their working career in 2005 and at the end of the year 2014.

The table 5.1, based on administrative data, compares the median length of working careers in 2005 and in 2014, and it clearly shows that the part-time pension group ends up having longer working careers (when measured in years) compared to the employment group.²² It has to be noted that the working career was already longer in the part-time pension group in 2005.

22 The large majority of the group in employment would most probably have been eligible for part-time pension (fulfilling the criteria of full-time work and working history).

Table 5.1.

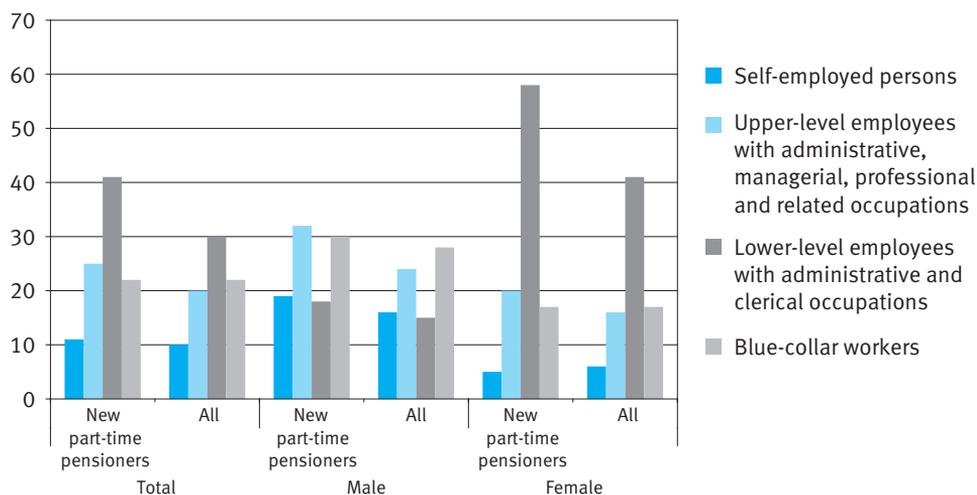
Comparing the median length (in years) of working careers in 2005 and in 2014.

Comparing the length of total working career of the reference groups		
	2005	2014
Both sexes		
Part-time pension group	35.9	40.2
Employment group	34.8	38.9
Men		
Part-time pension group	36.6	41.1
Employment group	35.6	39.9
Women		
Part-time pension group	35.1	39.4
Employment group	33.9	37.9

One possible explanation for this difference is socioeconomic status, as the status of the part-time pension group differs somewhat from the status of the employment group. Among part-time pensioners there are more white-collar workers than among the employed of the same age group. The blue-collar workforce start their careers at a younger age and run a higher risk of disability at older ages. Therefore, in the older age groups there are fewer blue-collar workers still in full-time employment compared to their share in younger age cohorts. (Järnefelt et al. 2013; Järnefelt et al. 2014).

Figure 5.1

Socioeconomic group of new part-time pension recipients and all employed, 61–67-olds, year 2013.



When analyzing the length of working careers according to main socioeconomic groups in a similar manner as in table 5.1 above, we can conclude that the differences in the length of working careers are formed before the take-up of part-time pension. Of the reference groups, the part-time pension group had longer working careers in every socioeconomic group compared to their peers. The differences remain somewhat stable, although they alter across socioeconomic groups.

Table 5.2.

The median length of working career (in years) in different socioeconomic groups in 2005 and 2014.

Socioeconomic group	2005		2014		Difference between 2005 and 2014	
	Part-time group	Employment group	Part-time group	Employment group	Part-time group	Employment group
Upper-level employees	34.4	33.9	38.9	38.8	4.6	4.9
Lower-level employees	36.3	35.6	40.6	39.9	4.3	4.3
Blue-collar workers	37.2	35.9	41.0	40.0	3.8	4.1

Analyzing the central socioeconomic groups one can see that the median working careers of the part-time pension group were longer than those of their peers. However, the difference in the length of careers did not grow once they started taking up the part-time pension. As a matter of fact, when we look at upper-level employees and blue-collar workers, we can see that the employment group ended up catching up the working career length compared to the part-time pension group.

Discussing the impact of part-time pension we have to be careful with our conclusions. Our data suggests that those taking up part-time pension have longer working careers compared to their peers²³ before the take-up, and this difference remains until the take-up of old-age pension. However, we should not draw any simplified conclusions from this, as the same phenomenon can be studied by analyzing the impact on the overall work input. On the other hand, a tenth of the respondents would have retired immediately and a quarter would have gone on working for some time, but not until old-age retirement (Takala 2007). This could imply that the part-time pension can extend the working careers of these groups.

From the perspective of public finances, the overall work input is of most importance as the overall work input is a key component of it. When assessed from this perspective it is hard to conclude that part-time pensions extend working lives, as working a bit longer might not compensate for working part-time for a much longer period.

23 Same age group in full-time employment.

6 How do stakeholders view the arrangement?

The employer side has strongly defended part-time pension as an important arrangement in the earnings-related pension system.²⁴ A representative of the Confederation of Unions for Professional and Managerial Staff in Finland (AKAVA) sees that the part-time pension can prolong working careers: “I am strongly of the opinion that if this option [part-time pension] would not exist, people would retire at the earliest possible age”. The vice-principal shared this view as, according to her, “[part-time pension] postpones the transition to old-age retirement for the majority of the teachers who take up part-time pension”.

These views are supported by the 63-year-old part-time pensioner that we interviewed, who stated that “I would have retired immediately at the age of 63 [lowest eligibility age] if I would have continued to work full-time”. This view is contested by the Confederation of Finnish Industries (EK), whose representative argues that the people who take up part-time pension are usually from professions where the risk of disability is really low, and that their socioeconomic background suggests that they would have a longer working career in any case.

Our study suggests that part-time work can be easily organized in some sectors. “We have not experienced any challenges when it comes to that [organizing part-time work], the only issue is that we cannot arrange it so that the same weekdays would be pension days every week (e.g. every Monday and Friday), instead they might vary”, commented the vice-principal we interviewed.

White-collar workers use the part-time pension more often than their blue-collar peers. One reason can be that financial constraints are a bigger challenge for blue-collar workers, as their salaries tend to be lower. The vice-principal recognized this issue: “mostly it is a question of money [of those who do not take part-time pension], for example many teachers with a migrant background do not take it if they haven’t been working in Finland for a long time, even when they clearly wish they could”.

For new part-time pensioners, the pension accrues from work earnings only; thus working less will have a direct impact on the individual’s pension accrual. Also, the total income combining part-time pension and part-time work will be less than working full-time. The latter seems to be a more plausible reasoning

²⁴ All the interviewees generously granted us permission to use verbatim quotes in the text. The authors are grateful for this.

on the individual level, as studies suggest (e.g. Brinch et al. 2012) that people around retirement age are incentivized to work more because of the impact on the current income, not because of the impact on future pension.

Over the years, EK has held an opposing view of part-time pension. From their perspective it sends the wrong signal, by enabling people to diminish their work input before the legal retirement age and by compensating for the lost income with a pension benefit. As such, EK sees the arrangement as a negative cost to the whole pension scheme.

EK's point of view emphasizes the issue of part-time pension as a question of labour supply and demand (e.g. Dorn & Sousa-Pouza 2005). The arrangement is problematic for EK as it is the voluntary choice of the individual to diminish the labour supply with the help of a pension benefit. On the other hand, they see something positive where labour demand side issues are concerned, such as "If there have been cases where business operations have been going through a low cycle, maybe companies have been able to avoid layoffs by organizing people to reduce their working hours with the help of part-time pension", stated their representative. As a mechanism for levelling the workforce needed at a company in a phase of low demand for labour, part-time pension arrangements can be beneficial in EK's view. However, it has to be noted that all the interviewees agreed that normally, the first initiative towards part-time work with the help of part-time pension comes from the employee.

Also, the employer side points out that the problem is that not all kinds of work can be organized in a part-time manner. Therefore it can be challenging to justify why the same employer agrees to one employee's part-time pension arrangement but cannot agree to another employee's demand. In addition, EK sees that there are some sectors that are more suitable for part-time work, such as the service sector. However, the service sector might be problematic from the point of view of part-time pension arrangements as the earnings and working time fluctuate more than in some other sectors.

Part-time pensioners are satisfied with their part-time arrangement (Takala 1999; Takala & Hietaniemi 2008). They spend more time with their family and enjoying hobbies. They are able to cope better with work, both physically and mentally. Only few have reported having problems with the part-time pension arrangement.

The part-time pensioner stated that "I have been doing this for four years [part-time work] and I think it is getting nearer the maximum [...] sometimes I catch myself thinking 'why am I still hanging on here?'" This view was echoed by the

AKAVA representative who stated that “the cultural norm seems to be that we should keep working full-time until the end of our careers”. This could indicate that in a full-time work culture, part-time work necessitates completely new ways of organizing work and new ways of participation in the working community.

Also, the vice-principal mentioned that “the problem is that if the teacher asks for working hours that are less than 16, then she/he is not obligated to participate in the meetings and planning anymore [due to no longer being regarded as a full-time employee], and she/he might end up being clueless of many things related to work. Of course there are individual differences, though”.

A disadvantage of the Finnish part-time pension scheme is the requirement of transition from full-time to part-time work. This prevents some people from getting this benefit, as they are either not working full-time or not able to reach an agreement with their employer on how to organize the part-time work. There are no figures of these cases, and the general rule is that employer and employee should come to an understanding at the workplace level before applying for a part-time pension. The AKAVA representative stated that “if the two [employee and employer] cannot come to an agreement at the company level, that is a very bad starting point”. The vice principal stated that they agree to every part-time pension application, the only condition is that the person must leave their supervising role at the workplace in case they have one.

Our interviewees have quite contrasting views on the advantages of the scheme. EK strongly opposes any partial pension arrangement if it takes place prior to the old-age retirement age. AKAVA, together with the other employee confederations, defend the partial pension arrangement as a gradual path towards full retirement.

The arrangement will be abolished in 2017 and replaced with a partial early old-age pension. The main differences between these two arrangements are that the new partial pension will not require a reduction of working hours and that the partial pension benefit will be counted in a more actuarial way.²⁵ These changes in the arrangement reflect the two main issues that have drawn the most criticism: bureaucracy and cost-neutrality. As there is no need to reduce working hours, they will not be monitored. This diminishes the bureaucracy needed. Also, with the new transparently designed benefit, the individual will be “paying” for the earlier partial retirement by seeing a reduction to the part of the pension he/she withdraws early.

25 A 0.4 per cent per-month reduction will apply to that part of pension that is withdrawn as an early old-age pension. Partial early old-age pension can be taken up as either 25 per cent or 50 per cent of the accrued pension.

EK takes a negative view of the new scheme as well; according to them the pension system should not encourage people of working age to diminish their work input. This should only be possible based on disability, and by combining work income with partial disability pension. They think that the positive aspect of the new scheme is the cost-neutrality: it will have no significant impact on the pension contribution in the long run, and the negative aspect is the diminished labour supply of people below pensionable age.

The representative of AKAVA stated that they find partial pension playing an important role in keeping older people in the workforce, especially once all the early retirement schemes are abolished. Their representative stated that: “the eligibility age could be even lower; I think currently it is a bit high”.

If the eligibility age would be the same as for old-age pension, people would possibly choose old-age pension over part-time pension. In many ways, combining work income with old-age pension can be easier, but in some cases more uncertain, than combining part-time pension and work income.

While on old-age pension, people can e.g. take short-term project work or work for several companies, something they cannot do as easily on part-time pension, but at the same time they are carrying the challenge of finding their own work. The ease of finding work might vary between occupational groups. Arguably part-time pension is less flexible in the sense of the individual freely choosing their work, but on the other hand, part-time pensioners could reach a more stable working life position with less risk of being made redundant. Part-time pensioners currently retire on old-age pension relatively quickly after reaching the statutory retirement age.

7 Conclusions

The idea of this case study was to examine whether the part-time pension arrangement has extended working lives, at least for some groups of people. In our paper, we analyzed our system-level registers and compared the length of working careers of the individuals who took up part-time pension in 2005 at the age of 58 with that of their peers, who stayed in employment. We compared the length of working careers of these two groups in 2005 and in 2014, when the groups had reached the age of 67. Our data shows that part-time pensioners end up having a longer working career when measured in years. However, this is explained by the fact that part-time pensioners have a longer working career before the take-up of part-time pension. For most of the socioeconomic groups, the differences in the length of the careers do not significantly alter from 2005 to 2014. In other words, the data does not provide strong support that the people taking up part-time pension are extending their working lives. They retire at the same age as those who do not take up part-time pension.

From the data we can conclude that part-time pension is not as common in many blue-collar occupations as it is among many of the white-collar professions. When we take a look at the background of the people taking up part-time pension we can see an overrepresentation of white-collar workers if we compare this to the socioeconomic background of the population of the same age still in employment.

The impact of the current part-time pension arrangement on the sustainability of the pension system can be elaborated in two different manners. Firstly, the impact as a cost on the system is minor (0.6%) considering the overall picture. However, due to how the part-time pension benefit is calculated, it is hard to estimate exactly by how much working lives would have to be prolonged in order for the arrangement to be cost-neutral. However, some estimates suggest (e.g. Elo 2008) that people would need to stay twice as long on part-time pension for the scheme to be cost-neutral. Secondly, from an individual perspective the part-time pension scheme can help people keep contributing to the pension system for a longer time, thus helping them enhance their pension adequacy; this if the working career is prolonged with the use of the benefit.

The stakeholders have a somewhat mixed view on the pros and cons of the scheme. The employee side strongly defends the scheme as a gradual pathway to retirement, whereas the employer side is opposed to it. The part-time pensioner and the company seemed to have a positive view towards the scheme.

A lesson to learn from the Finnish experience is that any part-time pension scheme needs to be designed in an easily administrable way. Bureaucratic requirements should be set to a minimum otherwise administering the scheme is costly and challenging.

LIST OF INTERVIEWS

Senior Advisor Tuulikki Lepomäki-Lahtinen (1.2.2016)

Part-time pensioner / Mutual Pension Insurance Company Elo

Senior Advisor Katja Veirto (3.2.2016)

Confederation of Unions for Professional and Managerial Staff (AKAVA)

Chief Policy Advisor Vesa Rantahalvari (3.2.2016)

Confederation of Finnish Industries (EK)

Vice Principal Pia Kyllönen (18.2.2016)

Helsinki Vocational College

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A Finnish case study

In this report, we analyze whether the part-time pension has extended the working lives of the follow-up group. Our study is based on register data of the Finnish Centre for Pensions. In addition, we have conducted interviews of relevant stakeholders representing labour market parties as well as employers and part-time pensioners. This report is part of a larger Eurofound research project on flexible retirement schemes.

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