

Choice or Chance – Late Retirement in Finland

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The Finnish pension reform of 2005 introduced the concept of a flexible retirement age. Drawing upon a longitudinal study of older Finnish employees, this article examines the extent to which individual propensity to delay retirement is influenced by choice or by chance, and examines the effects of the interplay between chances and choices in affecting longevity of employment. The results suggest that the flexibility in the organisation of the end of the working life is biased towards the better off. They also show that the interplay of choice and chance in the retirement process is firmly tied to the existing age-arrangements and economic trends. The conclusions examine the implication of these findings for divergent routes towards late retirement.

Introduction

This article examines the interplay of choice and chance as regards the retirement process. The questions addressed are related to the prevailing all-European policy goal of lengthening work careers and, in particular, to the individualisation and flexibilisation of retirement age.

Flexible retirement age is one of the recurrent themes in the discussion on innovative directions of pension policies (Mirabile, 2004). This pattern of retirement attempts to replace early withdrawal from employment, or ‘cliff-edge’ retirement by expanding the timing of retirement at the very end of the work career. It widens the scope of choice over work or retirement, but only for those who survive in employment until the flexible age-range of retirement. Thus the extent of the individualisation of the retirement process depends not just on the pattern of retirement, but also on the choice or chance to stay in employment until the flexible retirement age.

Research on early retirement has frequently asked the question whether older employees experience genuine choice over various early retirement alternatives (see for example Walker, 1985; Saurama, 2004; Vickerstaff, this issue). In this article the question is put the other way around: what is the role of choice and chance in continuing at work until the official retirement age. This question is tackled by follow-up research on the retirement choices and chances of older Finnish employees.

The motivation for the research derives from the Finnish pension reform of 2005. This reform includes, for example, a flexible retirement age ranging from 63 to 68 years accompanied by a higher pension accrual rate for those who continue working after 62 years of age (FCP, 2006b). Thus the former general retirement age of 65 was replaced by an individually chosen flexible retirement age, and financial incentives were introduced to encourage people to continue working and not to choose the first possible retirement option. But do people face a real choice over the timing of their retirement, or is the organisation of the end of the working life more determined by institutional arrangements?

Moreover, do those who are most in need of the financial rewards survive in employment long enough to achieve them?

Many studies on early retirement emphasise the role of institutions rather than individual decisions. Hytti (2004) points out that, for many, the option to withdraw from the labour market has not been an individual choice, but a process of societal regulation. The smoothing of industrial processes by affecting the supply of labour has been an important motive for early exit arrangements, which means that flexibility related to early retirement has been more industry based than individual based. In Finland, for example, export-oriented industries in particular were anxious to use early pensions as a means of refreshing their staff. Furthermore, according to a study on pre-retirement decisions, fully voluntary early exits have not been very common in Finland. Pre-retirees on disability or on an unemployment pension have often found that they have had little room for choice (Saurama, 2004). Studies in other European countries follow the same line. For example, in Denmark about half of the early retirees felt that they had been forced to retire (Arbejdsministeriet, 1999). Also according to British studies only a minority of those who had retired early had done so through choice (Vickerstaff *et al.*, 2004; Vickerstaff and Cox, 2005).

In the traditional threefold model of the life course, the life stages are chronologically organised around employment and 'the welfare state is seen as the institution which most dominates the institutional formulation of the life course' (Kohli and Meyer, 1986: 147). The flexible retirement process, which involves both the changing distribution of gainful work and new welfare state arrangements, challenges the model of tripartitioned life. Instead, it brings to the forefront typical post-modern elements of the life course: fragmentation into small episodes, unpredictability and the necessity of making choices (Bauman, 1995).

In post modernity, choices involve both necessity and freedom. People may have freedom of choice, but they also have a necessity to make choices. To borrow Cockerham's (1999) lifestyle terminology, choices are in a dialectical interplay with life chances. People are able to make choices only according to their life chances, which are embedded in the social, institutional and economic structure, or in individual qualifications. Life chances either constrain or enable life choices and, moreover, life chances may be influenced by earlier choices (see also Palosuo, 2003).

The idea of interaction between life chances and life choices in the organisation of the end of the working life fits well with De Vroom's (2004) framework for institutional age-arrangements. De Vroom distinguishes four age-arrangements which structure the shift to retirement: early exit, late exit, retention and re-entering. The age-arrangements are policy outcomes resulting from the combined effect of age-related social norms, age-related social policy and labour market programmes, and the relevant actor-constellation. These three dimensions of age-arrangements – age-culture, age-programmes and actor-constellations – form the cultural and institutional basis for the life chances which impede or facilitate the work/retirement choices.

The age-arrangements are produced in a particular social context and in a particular period of time. This means that besides the institutional and cultural setting, the age-arrangements, i.e. early exit, late exit, retention and re-entering, also depend, for instance, on demographic and economic trends and on labour market development (De Vroom, 2004). The age-arrangements may also be different for different groups of the population. They may diverge, for example, according to gender, taking different shapes for men

and women, which arise from their different formal or informal status in employment. Thus the arena of retirement choices and chances is reflecting, not just the age-relevant institutional and cultural dimensions, but also more general societal trends such as industrial productivity and competitiveness, the employment situation and gender-culture.

The aim of the study is to examine how retirement choices and institutional arrangements creating retirement-related life chances affect the end of the working life. To place the analysis in a societal context, the article begins with an overview of the employment trends in Finland. It shows how the organisation of the end of the working life has been dependent on the labour market situation and the prevailing age-programmes. The article then moves on to the late exit process, and describes the nature of work, the job context and the health of the late retirees. The last question of the article relates more explicitly to the role of choice and various life chances promoting or preventing late exit. Age-culture at the workplace, job-security, reward of work and health are applied as indicators of the life chances predicting longevity in employment. The significance of these life chances in the late exit process as well as older employees' employment/retirement preferences were studied in order to grasp the individual-institutional nature of the age-arrangements.

The research

The study is based on survey data of 574 older Finnish employees. The participants represent wage-earners who were born in 1933–1939 and employed in the private sector in 1993. The data were collected by mail questionnaires in April 1993; the response rate was 78 per cent (Gould, 1994). To investigate the changes in the work/retirement situation, pension and employment records of the respondents were linked to the survey data. These records were drawn from the registers of the Finnish Centre for Pensions. The work and retirement situations were followed from 1993 until 2004.

The response variable of the study was the record-based employment/early exit situation immediately prior to entering retirement. For most of the participants this meant right before turning 65, which was the official retirement age during the study period. Due to special company-specific pension rules, 7 per cent of the respondents had a lower retirement age, usually 63 years. Those who were in employment until their official retirement age were classified as late retirees, whereas those who had entered an early pension or were unemployed just before retirement were classified as early retirees.

All the other variables were drawn from the survey data. Occupational group, size of the company, characteristics of work, and the wage level were used to describe the jobs of the respondents. The independent variables in the logistic analysis of late exit included five variables. 'Retirement choice' was a combination of two questions. The employment-prone late retirees were those who, firstly, said that they would rather work than exit early and, secondly, did not indicate any consideration of early pensions. 'Age-culture' was related to the company of the respondent. It included two items: equal treatment of employees in different age groups and promotion of late exit instead of early exit. 'Job-security' had company- and individual-related items. Those with high job-security had experienced no unemployment periods in the early years of the 1990s, there had been no lay-offs in the company for which they worked, and they considered the future of the company stable. 'Reward of work' was an index of three items: control over work, attractiveness of the job and wage-level. 'Health' implied self-perceived health.

Logistic regression procedures were used to estimate logistic models and age-adjusted prevalences. Logistic models were constructed to distinguish the determinants of late retirement (i.e. working until the official retirement age). To detect multicollinearity among the determinants, the tolerance and variance inflation factors were examined using regression analysis. All statistical analyses were carried out using SAS.

Labour market situation shapes the end of the working life

Of those 54–60 year olds who were employed in 1993, fewer than a quarter, 22 per cent, stayed in employment until their official retirement age. There was no difference between women and men, whereas the oldest employees were more often employed until retirement as compared with employees a few years younger. Of those aged 58–60 at the beginning of the study, 27 per cent stayed in employment until retirement, while for those aged 54–57 the percentage was 21. This difference was not statistically significant.

The early retirees, those who did not work until the official retirement age, became either unemployed, disabled or had an optional early pension before retirement.¹ The unemployment path was most common: more than 40 per cent of the participants in the study entered unemployment before retirement. More than 20 per cent entered disability pension, about 10 per cent took an optional early pension, and two per cent of the participants died before entering an early pension or retirement.

The high number of those employees who were unemployed before retirement finds an explanation in the age-culture and age-programmes, as well as the particular period of time. The rapid economic downturn of the early 1990s left a legacy of long-term unemployment and low employment activity rates. The recession particularly affected the employment prospects of those 55 years old and over. This was partly due to the special unemployment channel for older workers – the extension of unemployment benefit days followed by the unemployment pension. Because of this arrangement, personnel reductions were targeted particularly at the oldest employees. In addition, the low educational level of ageing workers made them vulnerable to lay-offs, and, furthermore, labour market training mainly focused on younger employees (Työministeriö, 1996). The more favourable economic development of the latter half of the 1990s improved the situation, and towards the new millennium the employment rates of ageing people also started to grow. However, the re-employment prospects of older unemployed did not grow, and thus the number of long-term unemployed declined slowly (Arnkil *et al.*, 2002).

Labour market situation is one of the most crucial determinants of the life chances affecting retirement choices: if there are no work opportunities, the employment/retirement choices are limited to early exit. The role of the labour market situation as a life chance affecting retirement choices is illustrated in Figure 1. The period shown in the left panel, from 1993 to 1997, was characterised by recession and the first years of recovery, whereas the period of the right panel, from 1997 to 2001, was a period of economic growth.

The left panel of the Figure 1 demonstrates the rapid transition of the older employees from employment to unemployment during the period of high unemployment. Of those 58–60 year olds who were employed at the end of 1993, only one in four continued in employment till 1997, and almost one third was unemployed, most of them on unemployment pension. According to the right-hand panel, those older employees who managed to stay in work through the recession, until 1997, had a lower risk of

A four-year follow up on the employment situation of those who were aged 58–60 and employed in 1993, and those who were aged 58–60 and employed in 1997

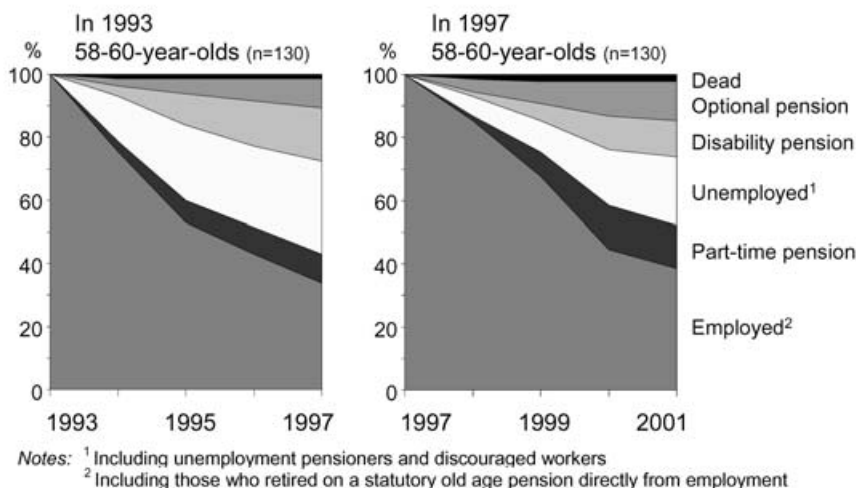


Figure 1. The organisation of the end of the working life during two different employment periods, 58–60 year olds

unemployment in the subsequent years. Instead, they stayed in employment more often than the same age group during the earlier period.

The changes in the patterns of the end of the work career shown in Figure 1 were mainly caused by changes in life chances related to labour market situation, age-programmes and age-culture. The increase in employment was largely explained by economic growth during the post-recession period. Yet, other contributing factors included, for example, maintenance of work ability programmes in companies, national employment promoting programmes for the ageing employees and restrictive changes in early retirement legislation. These programmatic changes contributed to the shift from the early exit culture to a more employment oriented age-culture (see Arnkil *et al.*, 2002; Gould and Saurama, 2004; Ilmakunnas and Takala, 2005).

The outcome of the above-mentioned cultural and programmatic changes is visible in Figure 1. The proportions of partial pensions and optional early pensions were larger and the proportion of disability pensions was smaller in the latter follow-up, the right-hand panel of Figure 1. These changes were fostered by the general shift towards late exit culture but also by the modifications of pension provisions. During the latter period, changes in the age limits and generosity of the rules favoured the use of partial and optional pensions, whereas the special disability pension for older employees was restricted.

Based on this descriptive examination, it was hypothesised that the cultural and institutional life chances would be important predictors of late retirement, even controlling for individual factors such as the nature of work and health. Thus, before turning to the analysis of the determinants of late exit, the more individual-based life chances, the job context and health of the late retirees, are described.

Late retirees have more rewarding jobs and better health than early retirees

Health is among the most frequently reported predictors of the timing of retirement. Poor health increases the risk of early exit from work, while good health increases the odds for

Table 1 Age-adjusted prevalence (%) and odds ratios (OR) for staying in employment until official retirement age (late retirement) by dimensions of work and health; private sector employees born in 1933–1939 and in employment in 1993 (register follow-up until 2004)

Work and health in 1993	Women Prevalence of late retirees, %	OR	<i>n</i>	Men Prevalence of late retirees, %	OR	<i>n</i>
Occupational group						
Managers, experts	40	4.59**	(37)	32	1.85*	(87)
Office and service workers	21	1.84	(164)	21	1.07	(42)
Industrial, construction and traffic workers	13	1	(62)	20	1	(164)
Control over work						
Good control	31	2.52**	(127)	28	1.68	(169)
Poor control	15	1	(139)	18	1	(125)
Distress of work						
Not strenuous	26	1.52	(153)	26	1.50	(203)
Strenuous	18	1	(113)	19	1	(91)
Wage level						
Above average	31	1.87*	(83)	33	1.90*	(88)
Average or less	19	1	(181)	21	1	(205)
Size of the company						
Less than 50 persons	26	5.00*	(111)	34	3.26*	(91)
50–299	23	4.25	(62)	28	2.44	(79)
300–999	15	2.41	(34)	15	1.07	(61)
1000 or over	7	1	(31)	14	1	(50)
Perceived health						
Good	34	2.82*	(87)	35	8.65**	(126)
Moderate	18	1.19	(125)	19	3.90	(135)
Poor	15	1	(52)	6	1	(34)
All	23		(266)	24		(296)

Notes: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

staying at work (e.g. Gould, 1997; Aho and Österman, 1999; Beehr and Glazer, 2000). The results referring to the nature of work and retirement behaviour are, however, not quite as consistent. In general, a motivating job and good control over work support the decision to retire late and the opposite promotes early retirement (e.g. Mein *et al.*, 2000; Seitsamo, 2005). Yet, the positive qualifications of work may also support the decision to exit early, because a good job may indicate, for example, more financial freedom in the timing of retirement (see Shultz, Morton and Weckerle, 1998; Beehr and Glazer, 2000). Studies have also revealed the effect of good education and higher occupational status on the longer participation in working life (Järnefelt, 2003; Rantala and Romppainen, 2004).

Table 1 provides some examples of the connections between dimensions of work and late retirement. According to the results, occupation, control over work and wage level

had an effect on the timing of retirement. Those employees with higher occupational status, good control over work, and an above-average wage level were more likely to stay in employment until official retirement age. Hence it appears that the financial and psychological rewards of work promoted late exit. As regards to the financial reward of work, the results here differ from the findings of many of the US and British studies, which indicate that those with lower incomes are more likely to work longer (e.g. Beehr and Glazer, 2000; Vickerstaff and Cox, 2005).

The job-context was further examined as regards the size of the company. The results were linear: the smaller the company, the higher the prevalence of late retirees. This trend may be explained by different pension practices in small and big companies: non-statutory pension schemes are less popular in small companies (Ahonen, 2006; Loretto and White, this issue). Small companies are also more active in personnel policies, promoting longer careers (Tuominen and Pelkonen, 2004). This result again provides feasible evidence of the importance of the institutional dimension of late exit.

Besides the work context, health also had a very significant association with late retirement. Those with good health were more likely to stay at work until the official retirement age. Health had a stronger effect on the retirement process of men than women. While 6 per cent of male late retirees perceived their health as poor, the equivalent prevalence for women was more than double, 15 per cent. This suggests that 'the healthy worker effect', especially the age- and health-related selection process from employment to early exit, works more explicitly for men than women. Thus, among the oldest working women, persistence in employment with poor health appears to be more common than among the oldest working men (see also Aittomäki *et al.*, 2005; Gould and Polvinen, 2006).

Both choice and chance predict late retirement

To further identify retirement choices and retirement-related life chances as predictors of late retirement a logistic regression analysis was performed. The idea of the analysis was, first, to examine the effect of the retirement choice on late retirement while controlling for various life chances, and, second, to compare the effects of different life chances on late retirement. The life chances included in the analysis comprise the cultural dimension ('age-culture'), age-programmes ('age-culture' and 'job security'), and individual qualifications ('reward of work' and 'health').

The results of analysis are presented in Table 2. Model 0 provides the age- and sex-adjusted individual effects of each variable. Choice was important: employees who preferred late retirement were more likely to stay at work than those who preferred early exit. Yet, good health was as important, and also the other indicators of life chances proved to be statistically highly significant determinants of late exit. The retirement choice remained as the most important predictor of late retirement, even when controlling for age-culture, job security and reward of work (Models 1–3). Only when health was added to the model (Model 4) did the predictive value of the retirement choice drop considerably. Therefore, when the retirement choice and the four indicators of retirement chances were adjusted simultaneously, job security appeared to be the statistically most significant predictor of late retirement, although the differences between the odds ratios were small. To sum up these results: as regards late retirement, the individual choice mattered, but just as important were the institutional and individual qualifications promoting late retirement.

Table 2 Odds ratios of logistic regression models for staying at work until official retirement age (late retirement); private sector employees born in 1933–1939 and employed in 1993 (register follow-up until 2004; $n = 562$)

Retirement choice and retirement-related life chances in 1993	Model 0: Age and sex adjusted	Model 1: M0 + Choice +Age- culture	Model 2: M1 + Job security	Model 3: M2 + Reward of work	Model 4: M3 + Health
Retirement choice					
Preferred late retirement	2.55***	2.37***	2.31***	2.17***	1.80*
Preferred early exit	1	1	1	1	1
Age-culture					
Positive	2.13***	1.97**	1.87**	1.92**	1.79*
Negative	1	1	1	1	1
Job security					
Secure	2.10***		1.92**	1.84**	1.86**
Insecure	1		1	1	1
Reward of work					
Rewarding	2.19***			1.95**	1.75*
Non-rewarding	1			1	1
Health					
Good	2.57***				1.77*
Poor or moderate	1				1

Notes: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

The determinants used in the above analysis are to some extent connected to each other. To check for multicollinearity among the determinants, variance inflation factors were calculated. Although the calculation revealed no sign of multicollinearity, the fact that adjusting for health decreased considerably the odds ratio of retirement choice (Model 4 in Table 2) suggests association between these two determinants. To examine this as well as other interactions between the retirement choice and the indicators of life chances, the logistic models were estimated according to the retirement choice. Table 3 provides the results of models for late retirement separately for those who preferred staying at work and for those who preferred early exit.

The results presented in Table 3 show two different patterns of the effects of the life chances on late retirement. On the one hand, for those who preferred late retirement, positive age culture was by far the most significant determinant, increasing the likelihood of actually retiring late. Job security and rewarding work also promoted late retirement, but in the full model (Model 3) they were not statistically significant (p -values were 0.062 and 0.068). Health was not a significant determinant of late retirement in this group. On the other hand, for those who preferred early exit, good health and job security were the most important determinants of staying in employment, while age-culture had no effect.

In brief, positive age-culture, i.e. positive age-related social norms, values and practices at the workplace, seemed to be the best approach to strengthen the willingness of older employees to continue working, supposing that initially they had preferred

Table 3 Odds ratios of logistic regression models for staying at work until official retirement age (late retirement) according to the retirement choice; private sector employees born in 1933–1939 and employed in 1993 (register follow-up until 2004; $n = 562$)

Retirement-related life chances in 1993	Retirement choice in 1993							
	Preferred late retirement				Preferred early exit			
	Model 0: Age and sex adjusted	Model 1: M0 + Age-culture + Job security	Model 2: M1 + Reward of work	Model 3: M2 + Health	Model 0: Age and sex adjusted	Model 1: M0 + Age-culture + Job security	Model 2: M1 + Reward of work	Model 3: M2 + Health
Age-culture								
Positive	3.91**	3.69**	4.13**	4.17**	1.47	1.42	1.41	1.25
Negative	1	1	1	1	1	1	1	1
Job security								
Secure	2.52*	2.31*	2.07	2.12	1.80*	1.75*	1.73*	1.72*
Insecure	1	1	1	1	1	1	1	1
Reward of work								
Rewarding	2.13*		2.25*	2.15	1.91*		1.88*	1.60
Non-rewarding	1		1	1	1		1	1
Health								
Good	1.74			1.84	2.26**			1.93*
Poor or moderate	1			1	1			1

Notes: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

employment to early exit. Conversely, discriminating age-culture was a severe hindrance to staying at work until official retirement age for the work-prone employees. As for those employees whose primary choice was early retirement, age-culture made no difference for the actual retirement behaviour. Instead, good health and confidence in the continuity of employment opportunities helped to turn them from the early exit path to the late exit path.

Conclusions

This article has examined the individual–institutional contexts of late retirement. The aim was to explore the role of retirement-related chances and choices as predictors of longevity in employment. The motive for the research was based on the Finnish pension reform of 2005. According to the reform, flexible retirement age combined with higher pension accrual is available for employees aged 63 and over. Although there has been a slight increase in the expected effective retirement age – the retirement expectancy for the 50-year-old employees was 60.6 years in 2000 and 61.1 years in 2005 (FCP, 2006a) – survival in employment until the flexible retirement age cannot be taken for granted.

The findings of this article are of special interest as regards flexible retirement age. The results suggest that flexibility in the organisation at the end of the working life is obtainable mainly for the better off. Compared with the early retirees, those older employees who had worked until the official retirement age had a higher socioeconomic status, more control over their work and better health. For them the life chances have enabled the choice of late retirement. This indicates, as Vickerstaff and Cox (2005) have pointed out, that the extent of choice over when and how to retire is not evenly spread. The restrictions on early retirement and financial incentives of the pension reform may keep more people in employment. However, it seems that those who are most in need of the extra increase in their pension, offered by the higher accrual rate for the over 62-year-olds, have the most obstacles on their way to reaching it.

Secondly, the interplay of choice and chance in the retirement process is firmly tied to the existing age-arrangements and economic trends. The results presented here imply that the changes in pension rules, labour market situation and job security, in particular, affect the end of the working years. Retirement choices are thus interwoven with the changing situational context involving uncertainty and unpredictability. Older employees may be forced to early exit because of unemployment, but they may also choose early exit because they prefer a secure pension income to insecure income from insecure jobs. Hence, the success of the pension reform in prolonging work careers depends greatly on the economic trends. Yet, the institutional elements of the age-arrangements may also support late retirement. As Julkunen and Pärnänen (2005) have suggested, the lower limit of the flexible retirement age, 63 years, may become a goal that is a bit easier to reach than the former 65, and therefore it may encourage working in spite of insecurity or health problems. Again, for those with deteriorating health, who, according to the results of this article are more likely to be women than men, the flexible retirement age may also provide a decent way out of employment.

The third concluding remark has to do with the divergent routes towards late retirement. The results propose two models: enhancing the positive dimensions of age-culture, in particular, and coping with the negative dimensions such as insecurity in employment and health problems. These models have an analogy in work-related well-being theory. Hakanen, Bakker and Schaufeli (2006) distinguish a stress-related process

and a motivational process. The stress-oriented process, which is related to job demands, burnout and ill health, resembles the late retirement route of those older employees who were inclined to retire early. Health and job security were the most significant determinants of their staying at work. The motivational process, on the other hand, relates to job resources, engagement and organisational commitment. It is parallel to the late retirement process of those preferring employment to early exit: positive age-culture strongly intensified their work commitment. But what are the implications of these patterns on the pension reform? The flexible retirement age and especially the associated financial incentives are part of the prevailing age-culture. They give a positive signal on the value of the work done by older people, and thus accumulate to the late retirement process. Yet, since the effects of age-culture focused on the work-prone employees, it is likely that the incentives of the pension reform do the same.

The final remark relates to the complexity and length of the retirement process. The findings indicate that the various retirement-related chances and the employment/retirement choice rooted in these chances, all have an effect on the longevity of employment. Job security was the most significant determinant, but the early versus late retirement preference of the employee had a significant effect too, even when the retirement-related life chances – age-culture, job security, reward of work and health – were controlled for. This indicates, likewise, some earlier findings (Gould, 1997; Huhtaniemi, 1999) that the individual retirement choices matter. However, it further indicates that the retirement choices matter within the particular cultural, institutional, economic and individual contexts. Moreover, the employment/retirement preferences proved to be quite persistent; the total follow-up period of the study was ten years. As regards early exit this implies a long anticipatory period, ‘a gradual withdrawal from the labour market at a psychological level before it becomes apparent in formal terms’ (Jackson and Taylor, 1994: 565). Thus, to change the course from early exit to late exit, early interventions are essential. The total career which provides the foundation for the retirement choices is important, not just the last years of the working life. The flexible retirement age with its financial incentives aims to motivate the employees to continue working. Bearing in mind that age-programmes and age-culture, in particular, proved to be of great importance, motivating the employees is not sufficient. Employers as well as the total actor constellation involved in the age arrangements are in key positions in the promotion of late retirement.

Note

1 During the period of the follow-up, 1993–2004, the early retirement options for older employees were (1) extended unemployment allowance + unemployment pension, (2) normal disability pension or special relaxed disability pension and (3) optional early pensions such as reduced early old age pension or special early pensions for farmers. Besides these options, an older employee could also take a part-time pension, which means part-time work + partial pension.

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