



# Annual Report 2023



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**The English translation of Keva's annual report complies with the Finnish convention with regard to writing figures. This means that in percentages commas rather than decimal points are used and that the separator between whole euros and eurocents is a decimal point.**

## CEO's review: Successful year

Economic development in 2023 was mixed. Sentiment was characterised by high inflation and the ensuing tightening of monetary policy, the continuation of Russia's war of aggression, conflict in the Middle East and other geopolitical tensions. Nevertheless, the worst recessionary fears did not materialise at the global level. Inflation started to ease clearly during the year, and towards the end of the year, the markets were expecting a fall in interest rates.

Keva had a good investment year in 2023. In the last months of the year, equity valuations increased, and expectations of lower interest rates also had a positive impact on the fixed income market. With the exception of real estate investments, all key asset classes in Keva's investment portfolio showed strong performance. The return on investments was 6.8% and the market value of investments increased to EUR 65.7 billion.

The year 2023 was an historic one for Keva member organisations with the transfer of responsibility for organising health and social services and rescue services from municipalities to the new wellbeing services counties. Keva had prepared well for the change and the establishment of partnerships with new employers continued successfully. Around 274,000 employees with pension insurance from Keva work for wellbeing services coun-

**Investment return was 6.8% and the market value of investments rose to EUR 65.7 billion.**



CEO Jaakko Kiander

ties and joint county authorities for wellbeing services. The reform brought no changes to their pension coverage.

Both pension expenditure and the sum of wages and salaries grew exceptionally fast in Keva's member organisations' pension system in 2023. Pension expenditure was up by 9%, driven by the high index increase of 6.8% at the beginning of the year. Earnings in municipalities and wellbeing services counties rose faster than the general earnings level, as a result of which the sum of wages and salaries grew by an exceptional 7.2%.

The long-term funding outlook for pensions under Keva's responsibility remained stable. The strong funding situation enabled a modest reduction in pension contributions in the local government sector and wellbeing services counties to continue. Keva's Councillors decided that in 2024, earnings-related pension contributions would amount to approximately 27.15% of the sum of wages and salaries in these sectors on average.

The general government deficit deepened markedly in 2023 on the back of weak develop-

ment in the real economy and flagging revenue growth. The outlook remains difficult. The adjustment of central government finances, the service needs of the ageing population and regional differences in demographic development will have a strong impact on the operations of Keva member organisations in the years ahead. At the same time, several sectors in the public sector are suffering labour shortages.

Keva aims to be a cost-effective partner that serves its customers. We succeeded in achieving these objectives. Cost efficiency continued to improve, and the ratio of total operating expenses to the sum of wages and salaries decreased to 0.37% in 2023. The indicator includes net operating costs (incl. investment operations), statutory payments and depreciation. Total operating expenses per employee customer were approximately EUR 80.

At the same time, customer satisfaction indicators improved from an already high level in terms of both the experience of employee customers and employer satisfaction.

Average processing times for pension applications continued to decrease compared to the previous year and were 4 days for old-age pensions and 27 days for disability pensions. Last year, our processing times were shorter than average in the private pension sector.

**Old-age pension applications processed in an average time of 4 days.**

The number of pension decisions made at Keva has been fairly stable in recent years. The rush of applications for old-age pensions and partial old-age pensions triggered by the exceptionally high pension index in 2022 levelled off. In 2023, just under 67,000 pension decisions were made, around 11% fewer than a year earlier.

Our focus in the development of services for both employee and employer customers continued to be on improving the quality and accessibility of electronic services. The number of users of all digital services grew strongly, between 10% and 44% compared to 2022, depending on the service.

The year 2023 marked the first full year of working with the Sustainable working life project headed by Keva. The project helps public sector organisations to recover from the coronavirus pandemic and the increase in disability risks and develops better tools to support work ability management.

We launched Succeed in the changing working life coaching for the personnel. Coaching was based on the cornerstones of good expert work defined jointly in 2022.

Towards the end of the year, The Board of Directors adopted responsibility principles for Keva. These principles outline the beliefs and guiding principles related to responsibility that are most relevant to Keva's duties.

We also made preparations to celebrate Keva's 60th anniversary year in 2024.

Jaakko Kiander  
CEO

# Report of the Board of Directors 2023



## Operating environment and Keva member organisations' pension system

Global economic development in 2023 was varied. The sentiment was characterised by high inflation and the ensuing monetary policy tightening, the continuation of Russia's war of aggression, conflict in the Middle East and other geopolitical tensions. Global trade was lacklustre.

During the year, however, global economic growth was a somewhat positive surprise, supported especially by a strong labour market and demand for services. Development was strongest in the United States, whereas Europe and China were more subdued.

Inflation started to ease rapidly at the beginning of the year, driven by energy prices, and core inflation also began to take a downward turn. Consequently, monetary policy tightening ended during the summer and early autumn. Expectations of central bank interest rates starting to fall during 2024 led to a downturn in market rates at the end of 2023.

The year 2023 turned out to be quite reasonable compared to financial market expectations. With the worst recessionary fears receding and expectations of monetary policy easing, equities and corporate bonds performed relatively well, especially in the United States, and returns were also good in Europe. Helsinki Stock Exchange performance remained negative due to an unfavourable industry structure. The return on Keva's investment portfolio was 6.8%.

The Finnish economy entered a recession in 2023. Construction activity fell sharply, investments contracted as did private consumption. The employment rate started to fall and

unemployment started to rise in the summer, but employment is historically still at a fairly high level. Many sectors continue to suffer a shortage of skilled labour. In Keva member organisations, the labour shortage is most visible in health and social services and early childhood education and care, where it is expected to worsen in the coming years.

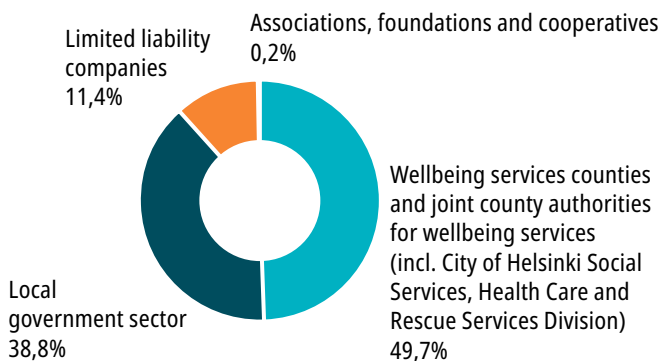
Weak development of the real economy resulted in a clear deepening of the general government deficit in 2023. The outlook for general government finances remains difficult. After the wellbeing services counties reform, the shortfalls are targeted at central government finances. In local government finances, 2023 was still an exceptionally strong year, especially due to the timing factors of tax revenue related to the health and social services reform. The adjustment of central government finances, the service needs of the ageing population and regional differences in demographic development will have a strong impact on the operations of Keva member organisations in the years ahead.

Keva's operations and the implementation of its mission continued to be stable. The long-term outlook for funding the pensions of Keva member organisations also remained stable. The healthy situation allowed for a continued moderate reduction in local government and wellbeing services county pension contributions and in December 2023 Keva's Council confirmed a contribution rate of 27.15% for 2024.

### Launch of wellbeing services counties

The year 2023 was an historic one for Keva member organisations with the transfer of responsibility for organising health and social

## Sum of wages and salaries of insured by Keva by member organisation in 2023



services and rescue services from municipalities to the new wellbeing services counties. In the same context, financing responsibility for the services was transferred from municipalities to the government, which resulted in roughly a halving of local government finances compared to earlier. Keva continued to be responsible for the pension cover of the employees.

Around 274,000 employees with pension insurance from Keva work for wellbeing services counties and joint county authorities for wellbeing services. The sum of wages and salaries of wellbeing services counties accounts for around 50% of the sum of wages and salaries of persons insured by Keva. (The figures include the City of Helsinki Social Services, Health Care and Rescue Services Division.)

Keva had prepared carefully for the change, and the establishment of partnerships with new employers continued successfully in 2023. Keva supported the wellbeing services counties in the change by providing information and tools to support management, earnings-related pension insurance and wellbeing at work.

## Brisk increase in sum of wages and salaries and pension expenditure

Earnings rose faster than the general earnings level in municipalities and wellbeing services counties in 2023, as a result of the pay programme and the harmonisation of wages in the wellbeing services counties. The sum of wages and salaries of Keva member organisations rose by an exceptional 7.2%. The number of insured persons increased by 2.6% and average earnings rose by 5.7%. The sum of government wages and salaries rose by 4.6% and that of the church by 3.6%.

The index increases in earnings-related pensions were exceptionally high in 2023 and also in 2024 due to past inflation. The earnings-related pension index rose by 6.8% in 2023 and by 5.7% in 2024. Despite the high index increase, there was no corresponding rise in pension applications at the turn of the year 2023–2024 as seen a year earlier, because the difference between the earnings-related pension index and the wage coefficient was considerably less than in the previous year. Index increases in the coming years are likely to be much smaller as inflation slows.

Since the pension contribution of Keva member organisations decreased in 2023, contribution income grew more slowly than the sum of wages and salaries. Contribution income totalled EUR 6.10 billion (+4.8%) while pension expenditure was EUR 6.75 billion (+9%). The ensuing deficit of EUR 647 million between net income from operations and pension expenditure was covered by investment returns.

## **Keva's Board of Directors decided to increase the investment portfolio risk level**

In June 2023, Keva's Board of Directors decided to increase the investment portfolio risk level in a bid for higher long-term returns. Since 2017, some pension expenditure has had to be funded out of investment returns, the importance of which will become increasingly important in funding pensions going forward. Investment returns account for around EUR 48 billion of the approximately EUR 66 billion currently in the fund.

In practice, the increase in the risk level will be implemented by gradually increasing the equity weight of the reference portfolio outlined by Keva's Board of Directors and determining the overall risk level. The risk level of the actual portfolio will follow this path, possibly deviating from it, within the framework of the deviation mandate. Increasing the risk level will increase long-term return expectations, but the return on the portfolio will vary more than earlier in the short term.

## **Change in contribution structure of Keva member organisations**

The start-up of the wellbeing services counties brought with it a change in the contribution structure of Keva member organisations. Since the start of 2023, the contribution is based on the TyEL level contribution based on wages as well as on a balancing payment that has replaced the old pension expenditure-based contribution. The balancing payment is paid by the municipalities and wellbeing services counties and is independent of wages and salaries paid. In 2024, the wage-based contribution is 24.4% and the total balancing payment is

EUR 632 million (2.75% of the sum of wages and salaries of member organisations).

## **Towards earnings-related pension reform**

In October 2023, the Ministry of Finance and the Ministry of Social Affairs and Health appointed a working group to look into earnings-related pension reform, the aim of which is to strengthen general government finances by approximately EUR 1 billion in the long term. In addition, ways must be found to stabilise the long-term level of pension contributions by means of a rules-based stabilisation system. The deadline for completing the work is 31 January 2025.

Based on current information, the financing situation of the pension system managed by Keva is basically stable in the long term. As pension benefits are currently largely the same in the private and public sectors, the changes to benefits in the upcoming pension reform will also be reflected in the pensions managed by Keva and the outlook for their financing, in principle strengthening it.

## **Legislative amendments**

Amendments to the Act on Keva (66/2016) concerning pension contributions entered into force on 1 January 2023. Starting from 2023, pension contributions will consist of a wage-based pension contribution, a disability pension contribution and a balancing payment. Under the Act, the pension contribution and disability pension contribution of member organisations based on total earnings must together equal the average earnings-related pension insurance contribution under the Employees' Pensions Act (TyEL). The balancing payment is paid by

municipalities and wellbeing services counties and allocation of the payment is laid down by law.

An amendment to the Act on Keva entered into force on 1 April 2023 laying down provisions on the representation of wellbeing services counties in Keva's administration. Going forward, the composition of Keva's Council and Board of Directors will also take into account representation of the wellbeing services counties. In addition, section 3 of the Keva Act was amended to extend until the end of 2035 the right of a university of applied sciences formed as a limited liability company to remain a Keva member organisation regardless of changes in ownership.

Amendments concerning rehabilitation were made to the Public Sector Pensions Act (81/2016) as of 1 January 2023. The amendments made to the criteria for rehabilitation within the earnings-related pension system sought to simplify and clarify the implementation of rehabilitation within the earnings-related pension system. In addition, the aim was to improve the predictability of decisions, the uniformity of decision-making practices and the equality of applicants. The revised provi-

sions provide a clearer basis for implementing the statutory division of responsibilities between earnings-related pension providers and the Social Insurance Institution of Finland Kela in vocational rehabilitation.

In the same context, provision was also made for the suspension of rehabilitation benefit in order to clarify the procedure in situations where rehabilitation itself has been suspended but the conditions for terminating the rehabilitation benefit are not met. In addition, a regression procedure was provided for between earnings-related pension providers and Kela, the aim of which is to streamline the processing of rehabilitation benefits granted retroactively by enabling collection between institutions instead of recovery directed at the beneficiary.

Amendments to the earnings-related pension acts were passed in December 2023 and entered into force from the beginning of 2024. With regard to the Public Sector Pensions Act, the amendments concern the promotion of electronic services and the fact that the decree on age-group-specific retirement age limits, which will be issued annually from autumn 2026, can be issued no more than one month later than allowed under the previous provision.





## Customer relationships

### Employee customers

Keva manages the earnings-related pension services of around 1.3 million public sector employees and pension recipients, with around 736,000 insured employees and 614,000 pension recipients.

The My Pension online service has increased in popularity each year since 2011. In 2023, there were already around 1.74 million log ins to the service, up by 6.4% compared to the previous year.

The self-service rate describing the relationship between customer self-service and personal service was 92% for the whole year, up by around 3% per cent compared to the previous year. Nearly 92% of the customers who gave feedback found it easy to use the My Pension service.

During 2023, new functionalities were added to the My Pension service user interface by, for example, updating the messaging service concept. Progress was made on updating the application service base.

The priorities of customer guidance were on increasing the use of electronic services in the My Pension service and increasing the paperless service. Several marketing campaigns were carried out during the year and these significantly increased the number of subscribers. Document processes utilised the Suomi.fi channel, and a growing percentage of Keva's customer letters were sent electronically only.

During 2023, Keva's advisory numbers for employee customers took a total of around 121,300 calls, with around 80% of these calls concerning general pension advice and the

remainder payment and work ability matters. After index matters and the peak demand for partial early old-age pension of the previous year, the number of calls stabilised at a normal annual level. Customers appreciate the competence and friendliness experienced in Keva's telephone service. More than 93% of the customers giving feedback found it easy to use the telephone service.

Keva produced 10 pension info event webinars on different themes for employee customers. The info events reached around 7,100 customers and customer satisfaction with the events averaged 89.5% (CES).

Use of online services showed further growth during 2023. Keva's websites were visited almost 3.7 million times (3,684,023 site visits), an increase of almost 24% compared to a year earlier. The pages in the employee customer section had around 2.4 million visits. The most popular keva.fi website was again the My Pension service content site, which had around 1.6 million visits.

Log ins to the actual My Pension service showed moderate growth after peaking last year. The service had around 1.74 million log ins, up by around 6.4% compared to 2022.

Enquiries from around 56,200 employee customers were answered with messages through the online service. The advisory bot Ilona answered customers' questions on the website. There were around 58,700 chats with Ilona, who was to provide the answer in around 87% of cases.

Keva collected customer feedback extensively in different service channels. During 2023, more

than 50,000 feedback comments were received from employee customers, about the same as in 2022. Feedback was continuously reviewed and changes were made to services accordingly.

We used the customer effort score (CES) as the metric to measure how much effort customers put in to interact with us. In 2023, an average of 92% of customers submitting feedback found interacting with us to be effortless. CES has shown positive development since last year. The electronic My Pension service showed the greatest increase, 3 percentage points, in experience of effortlessness compared to the previous year.

During 2023, work continued on developing services and service processes for employee customers to take increasingly better account of customer needs.

Development work was strongly based on the analysis and utilisation of customer and business data collected. During the year, a comprehensive Power BI reporting package was built to support deep customer understanding and artificial intelligence was used in analysing customer feedback.

Customer data was utilised in the co-development of the organisation and in strengthening the customer-based operating model. Knowledge-based management as a competence area was also strengthened in employee customer processes.

The year saw an update of the consumer jury model and roles and the jury were incorporated into the knowledge-based service development process. The consumer jury is pursuing efficiency in development processes and better matching of services and customer needs.

## Employer customers

At year-end 2023, Keva had a total of around 2,000 employer customers, slightly more than half of which were local government sector and wellbeing services county organisations and just under 600 were State employers. The remainder were church organisations. In addition, Social Insurance Institution of Finland Kela and the Bank of Finland are Keva employer customers.

For the majority of Keva's employer customers, 2023 was historic in many ways. The municipality-based nature of health and social services that had existed for decades ended when the new wellbeing services counties started on 1 January 2023. This has meant learning new things and getting used to the new context in municipalities, wellbeing services counties and government organisations. When the health and social services and rescue services transferred to 21 counties and to the City of Helsinki,

### Employer customers 31 December 2023

Type classification	Number
<b>Local government and wellbeing services counties</b>	<b>1 084</b>
Municipalities and cities	309
Joint municipal authorities	90
Wellbeing services counties and joint authorities for wellbeing services counties	24
Limited liability companies	638
Associations and foundations	18
Other local government organisations	5
<b>Other systems</b>	<b>820</b>
State employer customers	563
Church organisations	254
Kela employer customers	1
Bank of Finland organisations	2
<b>TOTAL</b>	<b>1 904</b>

preparations for the TE services reform of 2024 were already in full swing. This reform, too, will broadly affect central government administration, especially organisations involved in employment and businesses.

However, the greatest single issue, which has almost invariably been highlighted in customer meetings, is the shortage of labour, which is a problem affecting the whole country and various sectors. This is also reflected concretely in expectations and hopes towards Keva. Work ability management has increasingly become part of the management agendas of various customer organisations, and its increased importance is particularly evident in the management team work of the wellbeing services counties. During the work ability management training package in the spring-summer, we met about 100 representatives of the wellbeing services counties' management team and HR from across Finland. The results of our survey indicate that 80% of the respondents considered that work ability management was permanently on the management agenda.

The health and social services reform was very visible in work done with employer customers in 2023. The strategically important goal of successfully taking over the wellbeing services counties and building partnerships was well achieved. Partnership with the reformed cities and municipalities also continued at a good level in 2023. There were likewise positive developments in customer relationships with state and church organisations.

The year 2023 was marked by the first full year of working with the Sustainable working life project headed by Keva. The Sustainable working life project helps public sector organisations

recover from the coronavirus pandemic and the increase in disability risks and develops better tools to support work ability management. The project receives government funding from Finland's Sustainable Growth Programme funded by the EU's Recovery and Resilience Facility.

The employer customer survey carried out in late autumn 2023 showed that customers' experience of Keva has remained at a high level. There was a very slight decrease in weighted overall grades (2023: 84.4 and 2022: 84.8), whereas the Net Promoter Score (NPS) has continued to rise and is now 57 (2022: 54). From the customers' point of view, Keva's strengths continue to be smooth cooperation and expertise. Pension provision works as customers expect and is highly commended. Success in work ability management is becoming increasingly more important for customers and there are also growing expectations of Keva on this front. Examined from the customer segment perspective, the overall grade is very even. The main conclusion of the survey was that the services Keva provides seem to correspond well with customer needs and expectations.

More than 80% of work with customers took place online.

### **Work ability support and multivocational teams**

At Keva, the core of work ability management consists of multivocational teams formed to develop the overall service and customer experience for employer customers. Multivocational teams combine employer services and, in particular, dialogue and cooperation between experts in work ability solutions and insurance. The year saw the operations of multidisciplinary

teams become standardised, and towards the end of the year, an internal audit assessment was carried out on the strengths of the operations and areas for further development. The areas for further development will be implemented in everyday life during 2024.

The wellbeing services counties reform also had a significant impact on employee customers and supporting their work ability. In early 2023, Keva raised the challenges of continuity or taking over work ability processes for people with partial work ability and ways to influence them.

The functionality of the work ability processes of employees with partial work ability was presumably also reflected in the pension and benefit applications submitted at the beginning of the year. The number of applications for vocational rehabilitation has been falling for several years, and especially in the early part of the year there was a significant decrease compared to the corresponding period a year earlier. As a whole, the number of vocational rehabilitation applications for 2023 was down by around 9%.

At the same time, applications for vocational rehabilitation were increasingly rejected. In 2023, only 52% of applicants received a positive decision on their application. This development is probably partly explained by the increased use of forms of support earlier than vocational rehabilitation, such as partial sickness allowance, restricted work or occupational health care work trials. The increase in decisions rejecting vocational rehabilitation is a challenge for the entire earnings-related pension sector. Another explanation for this phenomenon is that earnings-related pension

providers have tightened their assessment of the probable threat of disability. At the legislative level, the conditions for rehabilitation within the earnings-related pension system did not change in 2023, but previously, a possible threat of disability could also justify a positive decision on rehabilitation within the earnings-related pension system.

The new service providers of Keva's rehabilitation started at the beginning of 2023. In the same context, Keva reformed the processes concerning vocational rehabilitation service providers. In addition to system reforms and increasing automation, the reform also concerned the content of the service provider process, e.g. the rehabilitee's freedom of choice in selecting a rehabilitation instructor was increased and, in particular, services for employees receiving rehabilitation allowance for studies and retraining were updated.

At the same time, support (earlier the situation assessment) for those who receiving a rejection decision was updated. Guidance services for those who have received a rejection decision from the beginning of 2023 can be granted to those who have received a decision rejecting both vocational rehabilitation and disability pension.

The number of partial disability pension applications also fell sharply, around 8%, in 2023. Since the use of partial disability pension to support continuing at work despite reduced work ability has long been a strength of the public sector, the development seen in 2023 is concerning.

In customer relationship management, Keva's multivocational teams combine the processes

of employer and employee customers into a comprehensive customer relationship. Identifying phenomena in the work ability process of employee customers and utilising them to support the work ability management of employer customers is part of the customer work done by the multivocational teams. At the same time, the aim is to identify the needs for new digital services. In 2023, secure forms were further developed to enable both employee and employer customers to report information required for pension and benefit processing or other purposes in a secure manner. Keva developed the internal process of the employer customers' messaging service during 2023 and development work on this will continue in 2024.

Keva concluded a strategic partnership for 2023–2025 with Jamk University of Applied Sciences. Within the partnership, cooperation will take place with the aim of developing vocational rehabilitation skills and work ability coordinator education, for example.

### **Sustainable working life project**

The Sustainable working life project got off to a good start at the beginning of 2023, with cooperation agreements on project partnerships being signed with 29 public sector employers. The project was taken forward in 14 wellbeing services counties, 10 municipal organisations and the state security sector. In the spring, we were also able to launch networked activities with church employers as part of the Work ability management skills development project.

The project's seven service development and customer pilots have progressed well to schedule and to plan. The customer experience has been very strong and feedback has been

excellent in many places. The NPS of customer meetings in the project's projects totalled 84 last year.

The project developed three digital services during the year. The Keva Pulse survey concept was built and piloted with project organisations. A concept was developed for tools for anticipating disability risks and the first version of the service was built, which was ready for piloting at the end of the year. The technical platform of Keva's Sustainable career application was ready for piloting and the first contents were completed at the end of the year.

The Occupational health cooperation project progressed to the development of organisation-specific models based on customer-specific situational pictures. In the Work ability management skills development project, all pilot organisations progressed to development work, and the first outputs to Keva's learning environment were completed. In the Career planning methods project, the Career coach pilot was launched in almost all organisations, and the last organisations will launch it in early 2024. In addition, the organisations took their own career planning projects forward. A work trial supporting the working life connectivity of those receiving rehabilitation support due to depression was finalised during the year, and the final report was compiled. Based on the results of the pilot experiment, the project launched a new project towards the end of the year, the aim of which is to develop a tool to support supervisory work to prevent absences due to depression.

The project's research project progressed, the plan was specified, and in spring 2023, material was collected for research on occupational

health cooperation and work ability management in the public sector. Supervisors from project organisations participated in the survey as a new group of respondents. The results of the study were published in December and presented to a wide audience in a publication webinar. The study will next be repeated in early 2025 and will thus also serve the impact assessments of the project.

The quantitative goal of the project is to involve at least 600 public sector jobs by the end of 2024. Keva's networks and events play a key role in this work, and the plan for disseminating the projects in the project was built during spring 2023: in the autumn, the management of occupational health cooperation was the theme of the national and twelve regional networks, which shared the benefits of the occupational health cooperation project and co-developed the management of occupational health cooperation. The national network co-developed the Kevan Pulse survey and digital tools for anticipating disability risks. Through our networks and events, we already reported more than 400 public sector jobs that have been involved in the project's activities in some way.

## Digital services

There was a sharp increase in the number of users of all digital services, with an increase of 10% to 44% compared to 2022 depending on the service.

Employer customers can use the employer's online service to deal with matters related to pension insurance, obtain statistical information and introduce tools for managing work ability risks, for example. The importance of the online service as a service channel has contin-

ued to increase and is used by the majority of employers. The number of employer's online service users and user interaction continued to grow. The reforms of the messaging service and improvements in the reporting of the pension contribution section in particular increased use of the online service. At the end of the year, customers were able to view an updated situational data package intended for managing disability risks through the online service. In the development of the online service, special attention was paid to smooth use and user friendliness. The online service's promoter score rose compared to the previous year.

Coverage of the Key Data online service, which compiles public sector disability costs, has stabilised at a good level, especially among large organisations. Health and social services reform brought its own challenges with regard to the visibility of information in Key Data. The full benefit potential of Key Data will be opened up to health and social services customers in 2024. New features included the introduction of a disability cost calculator to support proactive work ability management.

In the Surveys service, which supports the development of wellbeing at work and work ability management, the number of surveys carried out by Keva's employer customers increased compared to 2022. The usability of the survey service was improved and functionality was increased. Customers have found the service to be excellent.

Use of the digital learning environment for work ability management continued to show good growth in 2022. The number of user licenses was significantly higher than in the previous year. The front page of the learning

environment was updated, and as a result, six new learning modules were added to the service. The service enables customers to develop competence independent of time and place, and supports the use of other digital working life services.

Use of the work ability paths game further increased and the number of organisations benefiting from the game. The digital learning game makes visible the work ability support processes and actors' cooperation. The game also illustrates the opportunities that exist to impact the costs of incapacity for work. A new health and social services character was rolled out in the work ability paths game during 2023.

### Network cooperation and partnerships

The development and establishment of network services as part of support for customer work ability management continued in line with the strategy (and the development plan concerning the Sustainable working life networks). During the year, the network service was redesigned and conceptualised. As a result of the development work, Keva's events and networks form a new service package and operating model for service production, and a new service group was formed for service production through the employee negotiation procedure.

In the WSC network of HR preparers in the national, regional and wellbeing services counties headed by Keva, customers received up-to-date work ability management information and received and shared ideas, business models and learnings to strengthen work ability and develop activities in their own organisations. Within the framework of the Sustainable working life project, customers have also participated in the co-development of the manage-

ment of occupational health cooperation, and their outcome is available through the relevant subproject. The same applies to Keva's Pulse and disability risk subprojects.

Customer organisations that had received working life development grants also networked actively under Keva's leadership.

The number of customer organisations joining networks and participating in events continued growing. At year-end 2023, there were 711 employer organisations and 1,447 persons in the networks. Regional implementations in autumn 2023 in particular have been commended: the average NPS of regional network meetings (12 meetings) is 87.5 and the NPS of national network meetings has at best been 73. The Sustainable working life project has reached 430 new employers within the scope of network services (target 600 new employers).

Increased organisation-specific consultation on work ability management was carried out starting with customer situations and needs at different depth levels as part of organisation-specific customer plans. As part of the service provided by an expert, the aim was also to motivate and orient customers to using the self-service learning environment, learning game, Key Data and personnel surveys.

Keva's extensive offering for employer customers and stakeholders to reduce the risk of incapacity for work and promote straightforward earnings-related pension insurance and Keva partnership took place mainly through webinars. Webinars were aimed among other things at HR and finance management, supervisors and HR actors, pension liaison employees, occu-

pational healthcare and trade union actors. There was a reduction in the number of event offerings aimed at employer customers and the growth in attendee numbers was reached. The number of organisational participants rose by 5% and individual participants by 11%. Customer experience of webinars was at a good level, as was the case last year.

The theme of the Keva day was "Work as a builder of wellbeing". A total of 1,010 persons, over 30% more than a year earlier, took part in the event online.

Regarding partnership cooperation, Keva continued the EKJ coaching programme for local government supervisors and middle managers with the Association of Finnish Local and Regional Authorities, Local Government and County Employers KT and FCG. During the year under review, Keva continued to be involved in the Työ 2.0 Lab network, a new kind of central government co-working facility which acts as a physical and mental platform for multidisciplinary co-development. Last year saw network cooperation being taken to a new level with the help of a new separate ecosystem school, in which experts from Keva also took part.

## Development funding and research activities

Working life development grants are competitive funding which enables innovative and effective workplace development activities to reduce work ability risks in the local government sector, wellbeing services counties and the Evangelical Lutheran Church. In 2023, the development grant application process was developed so that customers have a chance to apply for funding twice a year. In the spring and

autumn. We received a total of 36 applications for development grants, 8 in the spring and 28 in the autumn. Based on the proposal of the assessment panel, 15 Keva customers shared a total working life development grant of EUR 596,000.

The projects of those receiving development funding in 2023 focused, among other things, on the development of supervisory work and the strengthening of career and age management. The entry into force of the amendment to the Occupational Safety and Health Act at the beginning of June was reflected in the objectives of development work. The projects raised the need for career support for older people, but also career management competence development at all career stages. The project plans naturally reflected supporting the careers of people with partial work ability and the anticipation of disability risks.

The plans for the development projects showed that work ability management is increasingly viewed as part of the comprehensive management of work and the work community. Development of work ability management also means the development of work, work communities, skills and the content of work.

Research data on wellbeing at work, work ability management, occupational health cooperation and the costs of disability in the public sector were published on the Kevatutkii website.

Keva published studies on wellbeing at work in the public sector, work ability management and occupational health cooperation, both of which were the subject of a webinar. The latter study is used to assess the impacts of



Keva's Sustainable working life project, and the organisations participating in the project also surveyed supervisors' views on work ability management. As in previous years, Keva analysed the development of sickness absences in different occupational and age groups in the local government sector in the Key Data service starting from 2019. In addition, at the request of the Ministry of Economic Affairs and Employment, Keva conducted a report on the unpaid nature of the first day of sick leave and so-called sickness absences. the distribution of deductible days in the local government sector. In addition, Keva published a statistical study on the use of partial early old-age pension in the public sector. The study produced information on, for example, sociodemographic background factors and the level of pension provision of those who chose partial early old-age pension.

Keva continued research cooperation, especially with the Finnish Institute of Occupational Health, and expanded its research cooperation with ETLA Economic Research on financial issues as part of the Sustainable working life project. In 2023, there were five ongoing studies in which Keva is involved in the steering group. As part of the cooperation projects, Keva organised a research webinar with the Finnish Institute of Occupational Health on solutions for continuing to work for people with partial work ability and participated in a joint webinar on health behaviour in remote work. In addition, Keva funded Statistics Finland's Quality of Work Life Survey and serves in its expert group.

Keva produced pension forecasts based on researched data and register data. For the first time, Keva's retirement forecast also included data on retirements in the well-being services counties. As earlier, the forecast report also examines the projected retirement of local government, state and church sector employees. In addition, Keva developed tools for predicting the disability of public sector employees. The new forecasting model helps to make it possible to examine the disability pension risk in different employee groups in more detail than earlier and to use factors affecting the risk to compare the groups.

In addition, Keva carried out two commissioned studies related to disability risk, one of which examined municipal decision-makers' perceptions of labour force availability in municipalities, the handling of wellbeing at work issues in municipal strategies and decision-making, and the other dealt with the pensioners working and citizens' pension awareness. Early 2023 also saw the publication of a commissioned report on national and regional labour needs based on Keva's retirement forecast, combining regional data on places of education and labour force statistics with Keva's pension statistics.

Keva uses T-media's commissioned survey to monitor the development of Keva's reputation every other year. The reputation has remained at the same level as in previous years and, like earnings-related pension insurance companies, is at a moderate level.



## Pensions and benefits

Further improvement in the processing of pension applications was seen in 2023. Keva reached processing time targets in all types of pension. The level of service measuring uninterrupted income also improved and was above target. Customer satisfaction among the insured remained at an excellent level.

The target set for the percentage of electronic applications was reached and in 2023, 62.2% (2022: 63.1%) of all pension applications were made electronically in the My Pension online service. On top of this, a further 7.7% of pension applications arrived electronically via Kela, for example. We addressed promoting a paperless service in other respects, too.

Keva received 11% fewer pension applications than in 2022. Application numbers were down in all pension types except for survivors' pensions and full disability pensions.

The number of old-age pension applications was down 16% compared to the record year of 2022 and returned to the 2021 level. There were around 7,300 applications for partial early old-age pensions, a third lower than in the record year of 2022 but around 3,000 higher than in the preceding years. Application numbers levelled out and there was no deluge of applications like that seen in late 2022. Even though the rise in earnings-related pensions based on the earnings-related pensions index from the beginning of 2024 was rather high, the difference to the wage coefficient was so small that there was no need to rush to apply for a pension.

Survivors' pension applications were up 8% to reach a record level. The increase was against the backdrop of higher mortality and the survivors' pension reform entering into force at the

beginning of 2022, which extended the child's right to survivors' pension by two years and, subject to certain criteria, the entitlement of a surviving common-law spouse to a surviving spouse's pension. Keva intensified information on survivors' pensions to ensure that no one entitled to it would not fail to apply for the pension.

The total number of disability pension applications showed a slight downward trend (-2.5%). The number of partial disability pensions decreased by 8%. The previous time there were so few applications was in 2017. There were 1.2% more full disability pension applications than in 2022.

The number of vocational rehabilitation applications decreased by almost 9% compared to 2022 and the downward trend has continued for many years now. Keva received around 5,800 rehabilitation applications in 2023 compared to more than 8,100 in 2018.

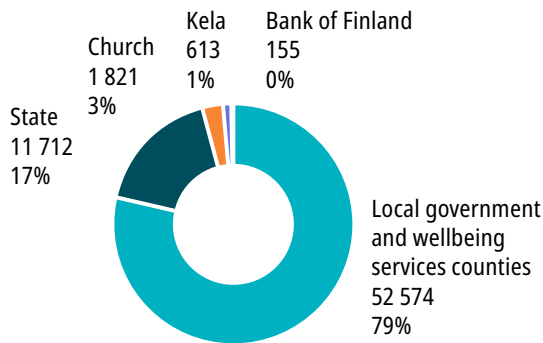
### Applications received and decisions issued

Keva received 67,168 applications, of which 60,904 concerned actual pension matters. The number of applications was down 10.6%.

In 2023, Keva issued a total of 66,875 decisions, 60,776 of which were actual pension matters, 5,710 rehabilitation decisions and the remaining 389 concerned benefits such as financial support, adjustment allowance, etc.

In addition, Keva issued 3,585 automated decisions on the pension accrued alongside the old-age pension. In these cases, this pension had already been applied for in conjunction with taking old-age pension.

### Decisions issued by Keva by pension system



The figures include all local government, wellbeing services counties, State, Church, Kela’s salaried employees and applications concerning Bank of Finland pensions (including other benefits) and the decisions issued.

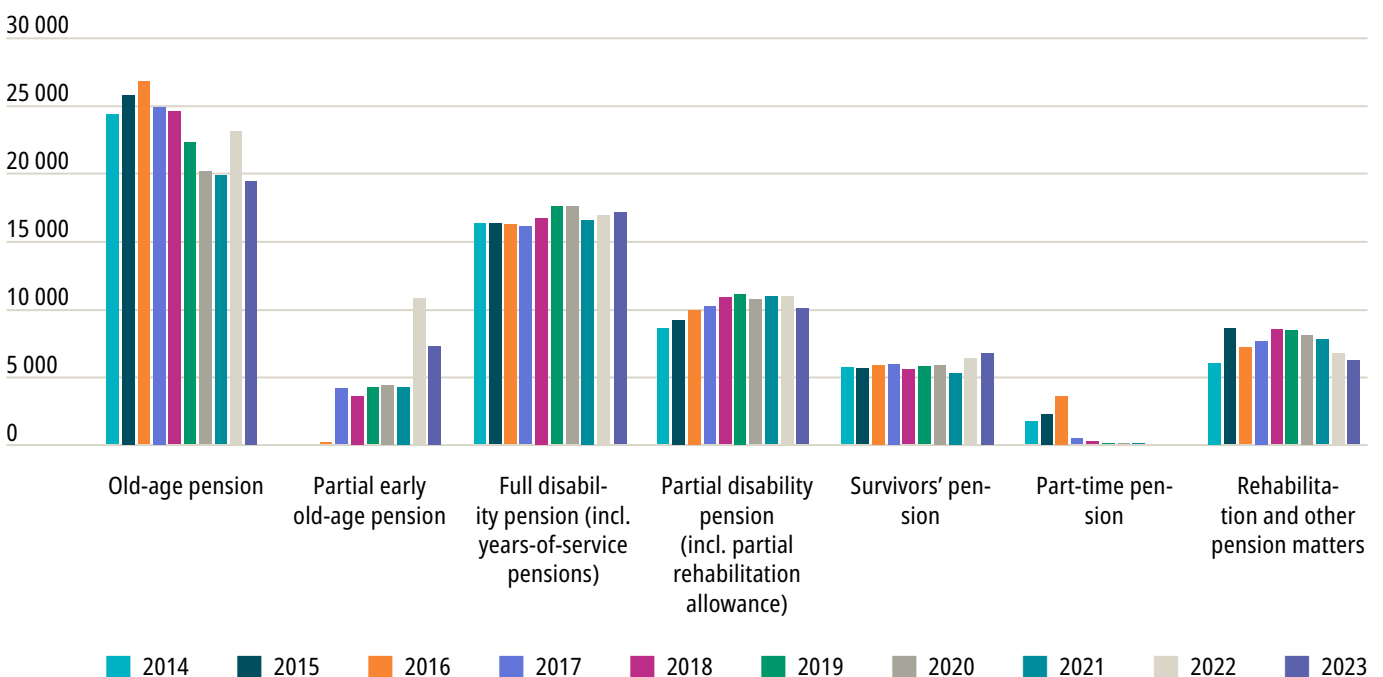
By far the highest number of decisions concerned local government pensions: 52,574

or 78,6% of all decisions issued by Keva. Keva issued 11,712 decisions concerning State pensions, 1,821 decisions concerning Church pensions, 613 decisions concerning Kela’s salaried employees and 155 decisions concerning Bank of Finland pensions.

Detailed tables by pension system are appended to this annual report.

The number of applications arriving electronically via the My Pension service remained at the same level as a year earlier. A total of 84.3% (2022: 83.7%) of old-age pension applications, and 37.8% (37.4%) of disability pension applications were received electronically via the My Pension service. As many as 94.4% (94.5%) of partial early old-age pension applications were made electronically. Of all applications, 62.2% (63.1%) arrived electronically via the My Pension service. On top of this, Keva received a further

### Number of applications received by Keva by pension type



7.7% of all pension applications electronically via Kela's online system, for example.

## Pension processing times

The processing times of old-age, disability and survivors' pensions were further shortened, with the service level indicator showing that 95.6% (95.8%) of decisions were issued on time.

Keva processed old-age pension applications in an average of 4 days and disability pensions in an average of 27 days. The fastest times were for the processing of partial early old-age pension applications, with decisions being issued in an average of 2 days. Survivors' pensions were processed in an average of 6 days and rehabilitation decisions in an average of 16 days. Keva processed applications for old-age, disability and survivors' pensions 3–7 days faster than private providers on average.

A total of 40,808 decisions were issued concerning new applications and 36,799 of these were positive decisions. The decrease was 15% compared to a year earlier.

Keva issued 66,875 decisions or 7,920 fewer than in 2022 (down 10.6%). The decrease was in old-age pensions, partial early old-age

pensions, partial disability pensions and rehabilitation. The exceptionally high earnings-related pension index in 2022 boosted pension applications, encouraging an exceptionally large number of people of old-age pension and partial early old-age pension-age to apply for retirement towards the end of the year.

Keva issued 19,518 old-age pension decisions, 15.9% fewer than a year earlier. In contrast, the number of automatic decisions on pension accrued alongside old-age pension increased by 2,119, or 59.1%. This high increase can be explained by the fact that since 2019 it has been easy to request these decisions, which are issued automatically at the age of 68, already when applying for old-age pension.

The number of early partial old-age pension decisions was 7,314, the second largest number in Keva's history, but was still down by 32.5% or 3,526 compared to the record year of 2022. Of these decisions, 67.2% concerned a pension of 50%. The remainder of decisions were issued for a pension of 25% or a switch from a 25% pension to a 50% partial early old-age pension.

There were 6,822 survivors' pensions processed, 7.4% more than a year earlier. The

## Total pension application processing times in days

Pension type	2023	2022	Change days	Private providers 2023
Old-age pension	4	6	-2	7
Partial early old-age pension	2	1	1	2
Disability pension	27	28	-1	33
Survivors' pension	6	8	-2	13
Rehabilitation	16	14	2	16

Source: Finnish Centre for Pensions

increase was against a backdrop of higher mortality and the survivors' pension reform.

In the survivors' pension reform entering into force at the beginning of 2022, the child's right to survivors' pension was extended by two years and, subject to certain criteria, a surviving common-law spouse became eligible for a surviving spouse's pension.

A total of 27,122 disability pension decisions were issued, 2.7% fewer than a year earlier. There was a big difference between full and partial disability pensions, with the number of the latter down by 8.5%, whereas the number of full disability pension decisions was up by 1.2%.

The number of rehabilitation decisions continued falling (7.6%) and a total of 5,710 decisions were made. There were 389 other decisions (primarily for financial support), which were up by 15.1%, which was due to adjustment allowance decisions (43).

## Disability pensions and vocational rehabilitation

The number of full disability pension applications, 17,164, showed a slight rise of 1.3% compared to a year earlier. The increase was mainly in full disability pensions valid until further notice (2.6%), whereas there was no major change in cash rehabilitation benefits (+0.6%).

Years-of-service pension applications showed the greatest increase (+39.1%) in terms of percentage. Although applications for years-of-service pensions have been steadily increasing with the rise in the old-age pension age,

numerically there are still very few applications, just 89 in 2023.

Examined by application types, the increase (3.1%) was above all in new disability pension applications. The number of applications rose by 3.7% for new disability pensions valid until further notice and by 2.2% for new cash rehabilitation benefits. Keva received 0.7% more applications for extensions than a year earlier.

The number of partial disability pension applications, 10,087, showed a fall of 8%, (partial cash rehabilitation benefits -8.7% and partial disability pensions valid until further notice -7.2%) compared to a year earlier. All application types showed a decrease. The largest decreases were seen in the number of applications for payment decisions, 12.6%, and new applications, 9.7%. The number of applications for extensions to partial disability pension was also lower than before, down by 3.3%.

Numbers of vocational rehabilitation applications have been falling for a number of years and this trend continued in 2023, with a decrease of 8.9%. Keva received 5,853 applications in 2023, which was 572 fewer than a year earlier. Around half of the rehabilitation applications were applications for the right to rehabilitation and the remainder applications for rehabilitation plans. Rehabilitation right decisions on the disability pension process showed a greater decrease, -18.8%, in terms of percentage than rehabilitation decisions, (-3.2%, initiated on the customer's application).

Of the positive decisions on the right to vocational rehabilitation, 30.7% were issued in conjunction with the processing of a disability pension matter and 69.3% were based on customer application.

## Number of all decisions by pension type

Type	2023	2022	Change %
Old-age pension	19 518	23 221	-15,9
Partial early old-age pension	7 314	10 840	-32,5
Full disability pension (incl. rehabilitation allowance and years-of-service pension)	17 018	16 823	1,2
<i>of which new decisions</i>	<i>6 194</i>	<i>5 792</i>	<i>6,9</i>
Partial disability pension (incl. partial rehabilitation allowance)	10 104	11 040	-8,5
<i>of which new or preliminary decisions</i>	<i>3 644</i>	<i>4 095</i>	<i>-11,0</i>
Survivors' pensions	6 822	6 351	7,4
Other pension matters	389	338	15,1
Rehabilitation decisions	5 710	6 182	-7,6
<b>Total</b>	<b>66 875</b>	<b>74 795</b>	<b>-10,6</b>

In 2023, 59.2% of decisions on rehabilitation interventions involved workplace rehabilitation i.e. work try-outs, or job coaching, 20.1% of interventions concerned training and 19.9% assessment by the rehabilitation service provider. Of the work try-outs, 36.3% were in the employee's own job and 63.7% sought a change in the job description. Work try-outs for a new job with the person's own employer (503) were slightly more frequent than with a new employer (478). Of the rehabilitation interventions completed, 71.6% were successful, with the persons rehabilitated able to be available on the labour market after completing the programme.

Keva rejected 30.6% (29.8%) of new applications for disability pension. The average rejection rate by private pension providers for new applications for disability pension was 40.4%. The rejection rate for rehabilitation decisions was

48.4% (42.7%) compared to 53.2% by private pension providers.

## Pension decision rectification procedure

In 2023, Keva processed a total of 1,470 appeals filed with the Pension Appeal Board against Keva's own decisions in the "self-rectification" procedure. Of these, 1,208 concerned work ability assessment. Keva rectified a total of 11.6% (13.7%) of all appeals and 11.1% (13.9%) of appeals concerning work ability assessment. The remaining appeals were submitted to the Board for consideration.

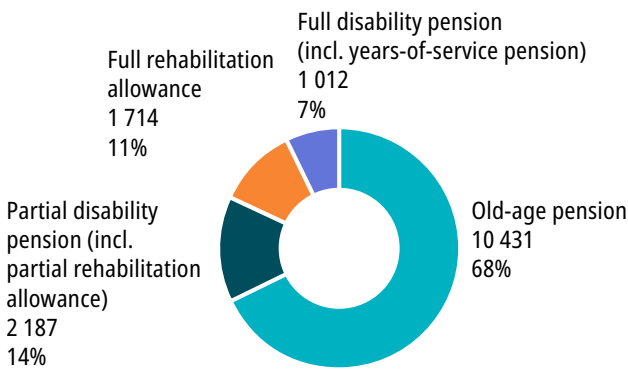
In 2023, Keva also processed 108 appeals filed with the Insurance Court concerning decisions issued by the Pension Appeal Board. Of these appeals, 91 concerned work ability assessment and Keva rectified 2.2% (7.5%) of these.

The Pension Appeal Board revised 9.5% (8.1%) of all the rejections issued by Keva that it considered. The percentage of disability pension matters revised was 10.3% in the case of Keva and 10.3% in respect of all pension providers. The Insurance Court revised 10.8% (20.8%) of Keva's decisions that had been appealed.

## Persons retiring

A total of 15,344 employees, 4,047 or 20.9% fewer than in 2022, retired from the service of local government and wellbeing services counties, the State, the Church, Kela and the Bank of Finland. The number of persons retiring on an old-age pension decreased by 26%. There was also a sharp decrease, 20.2%, in the number of persons retiring on a partial disability pension. On the other hand, there was an increase of

### Percentage of persons retiring by pension type



6.6% in the number of persons retiring on a full disability pension than a year earlier.

The average age of persons retiring was 61.5 years, which is 0.5 years lower than a year earlier. The percentage of persons retiring on an old-age pension was 67.9% (72.7%) of all persons retiring. A total of 10,431 retired on an old-age pension. The average age of persons retiring on an old-age pension in 2023 was 64.6 years, which was 0.1 years older than a year earlier.

The average age of persons retiring on a full disability pension was 60.3 years (0.2 years older), those retiring on full cash rehabilitation benefit was 49.9 years (0.1 years younger) and those retiring on partial disability pension (including partial rehabilitation allowance) was 56.8 years (0.8 years younger). Also persons starting to receive new partial disability pension are counted as having retired even though they continue to work alongside drawing a pension. Years-of-service pension was started at an average age of 63.1 years. There were 16 persons taking a years-of-service pension.

A total of 4,913 employees retired on a disability pension, 7.2% fewer than a year earlier. Musculoskeletal disorders were the most common reason for disability and accounted for 35.1% (38.3%) of primary disorders of the 1,725 people retiring on a disability pension. This was a change for the better, since the number of persons retiring due to musculoskeletal disorders was 15% lower than a year earlier.

There was also a decrease in the numbers of mental health disorders and the onset of such disorders. A total of 1,519 public sector employees retired due to mental health disorders, 3.4% fewer than a year earlier. Mental health disorders were the primary reason for retirement on a disability pension in 30.9% (29.7%) of cases.

Expected effective retirement age depicts the age at which employees currently aged 25 would on average retire if future retirement patterns remain exactly the same as in the year under review. The expected effective retirement age for a 25-year-old employee in local government and wellbeing services county service was 62.8 (62.2) years and in central government service (excluding military personnel) 64.0 (62.9) years.

Pension specific tables are appended.

### Pensions paid

The total pension expenditure (including financial support and rehabilitation) of Keva member organisations in 2023 was EUR 6,748 million, up by EUR 556 million or 9% compared to 2022. At year-end 2023, there were around 438,000 pension recipients in the local government sector, around 0.5% more than a year earlier.

In 2023, Keva paid out EUR 5,311 million in State pensions, up EUR 329 million or 6.6% compared to a year earlier. At year-end 2023, there were around 226,000 State pension recipients, just under 3% fewer than a year earlier. Keva paid out around EUR 254 million in Evangelical Lutheran Church pensions, just under 9% more than in 2022. The corresponding pension expenditure on pensions for Kela's salaried employees was around EUR 123 million, up by around 8% compared to a year earlier. Keva paid out around EUR 31.5 million in Bank of Finland employee pensions in 2023, an increase of 8% compared to a year earlier.

The State, Evangelical Lutheran Church, Kela and the Bank of Finland funded their own pensions by paying Keva a monthly advance payment determined by the Ministry of Finance. At the end of the year, this advance is then aligned with actual pension expenditure. For 2023, Keva will return around EUR 36 million to the State and EUR 4,000 to the Bank of Finland. The Evangelical Lutheran Church will pay an additional EUR 3 million and the Social Insurance Institution of Finland Kela will pay an additional EUR 0.3 million. These adjustment items were recognised in the financial statements as adjustments to advance payments.





## Contribution income

At year-end 2023, some 589,000 employees were insured under Keva member organisations' pension system. This was around 2.6% more than a year earlier. The figure for the number of persons insured includes all persons in an employment or public service relationship, but other than ordinary and public sector employees (family carers, informal carers, elected officials, etc.) only persons with earnings in the year in question are included in the persons insured. The sum of wages and salaries of member organisations in 2023 was EUR 21,809

million, which was EUR 1,464 million (7.2%) more than in 2022.

Contribution income paid by Keva member organisations in 2023 totalled EUR 5,965 million (2022: EUR 5,677m), which was 27.4% (2022: 27.9%) of the sum of wages and salaries. Year on year contribution income was up EUR 289 million (5.1%) compared to a year earlier. Contribution income consists of two components, the earnings-based employer and employee contribution as well as a balancing payment charged

### Contributions from Keva member organisations, % 2014–2023

Year	Earnings-based contribution		Balancing payment** %	Early retirement-based contribution %	Total %
	Employer's contribution %	Employee's contribution %			
2023	16,84	7,55 <sup>1</sup>	2,96		<b>27,35</b>
2022	16,83	7,57 <sup>2</sup>	3,50		<b>27,90</b>
2021	16,82	7,58 <sup>3</sup>	3,78		<b>28,18</b>
2020	16,83	7,57 <sup>4</sup>	3,99		<b>28,39</b>
2019*	17,25	7,15 <sup>5</sup>	3,89		<b>28,29</b>
2018	16,75	6,78 <sup>6</sup>	3,75	0,98	<b>28,26</b>
2017	17,05	6,59 <sup>7</sup>	3,94	0,88	<b>28,46</b>
2016	17,10	6,19 <sup>8</sup>	5,21	0,90	<b>29,40</b>
2015	17,20	6,19 <sup>9</sup>	5,62	0,80	<b>29,81</b>
2014	16,85	6,03 <sup>10</sup>	6,03	0,91	<b>29,82</b>

\* Total earnings-based contribution from 2019 onwards (change in contribution structure) the earnings-based contribution includes the disability pension contribution.

\*\* Municipal and wellbeing services country balancing payment from 2023 onwards, prior years Keva member organisations' pension expenditure-based payment.

<sup>1</sup> 7.15% for persons aged 17-52, 8.65% for persons aged 53–62 and 7.15% for persons aged 63–67

<sup>2</sup> 7.15% for persons aged 17-52, 8.65% for persons aged 53–62 and 7.15% for persons aged 63–67

<sup>3</sup> 7.15% for persons aged under 53 and 63 or over and 8.65% for persons aged 53–62

<sup>4</sup> 7.15% for persons aged under 53 and 63 or over and 8.65% for persons aged 53–62

<sup>5</sup> 6.75% for persons aged under 53 and 63 or over and 8.25% for persons aged 53–62

<sup>6</sup> 6.35% for persons aged under 53 and 63 or over and 7.85% for persons aged 53–62

<sup>7</sup> 6.15% for persons aged under 53 and 63 or over and 7.65% for persons aged 53–62

<sup>8</sup> 5.70% for persons aged under 53 and 7.20% for persons aged 53 or over

<sup>9</sup> 5.55% for persons aged under 53 and 7.20% for persons aged 53 or over

<sup>10</sup> 5.55% for persons aged under 53 and 7.05% for persons aged 53 or over

to municipal and wellbeing service county employers.

Keva collected earnings-based contributions of EUR 5,320 million, up EUR 357 million or 7.2% compared to a year earlier. Employees contributed around EUR 1,648 million and employers around EUR 3,672 million.

The earnings-based contribution in 2023 averaged 24.4% of pay, the same as a year earlier. The allocation between employer and employee percentages was also the same as a year earlier. Employers paid 16.84 bp of the contribution and employees an average of 7.55 bp. The employee earnings-based contribution varied, with employees under the age of 53 and over the age of 62 paying 7.15% and employees aged 53-62 paying 8.65%.

In accordance with the decision of Keva Councillors, municipalities and wellbeing services counties were charged a balancing payment of EUR 645 million, which was 3.0% (2022: 3.5%) relative to the sum of wages and salaries. The payment was EUR 68 million (-9.5%) lower than a year earlier.

Financial support is a benefit equivalent to group life insurance paid to the beneficiaries of a deceased member organisation officeholder or employee. At year-end 2023, 719 member organisations had arranged for financial support through Keva. Keva collected roughly EUR 5.1 million in financial support contributions in 2023, EUR 0.8 million less than a year earlier.

Keva received around EUR 130 million in premium income, EUR 7 million less than in 2022, from the Unemployment Insurance Fund.

By law, Keva is also responsible for the calculation and collection of pension contributions from the State and Evangelical Lutheran Church. Keva collects the contributions directly in the State Pension Fund's and Central Church Fund of Finland's bank accounts, but Keva is responsible for all the associated practical measures. In 2023, Keva collected around EUR 1,7 billion in pension contributions for the State and around EUR 0.15 billion for the Church. State and Evangelical Lutheran Church pension contributions are not recognised in Keva's accounts or financial statements.



## Investment operations

The year 2023 was mixed from an economic perspective. Russia's war of aggression continued and geopolitical tensions in general increased. Central bank interest rate hikes continued in the fight against inflation. Towards the end of the year, central banks' actions and comments began to ease, raising market hopes of a fall in interest rates. Indeed, the last months of the year saw a rally on stock markets in many respects and the impacts of the expectation of a fall in interest rates in the fixed income markets.

Keva's investment year 2023 was good, with all key asset classes in the investment portfolio performing positively, some even strongly, with the exception of real estate investments. Deteriorating market conditions resulted in write-downs of real estate investments, which pushed the return on real estate investments well into negative territory.

Keva's investments had a market value of EUR 59,916 million at the start of 2023 and a market value of EUR 63,075 million at the end of 2023. The market value of investments used to calculate the return includes not only the above assets but also transferred interest included in accrued income as well as other items totalling EUR 2,610 million. Taking into account these items, the market value of the tied-up capital totals EUR 61,745 million. This breakdown of imputed returns has been used to calculate the allocation for each asset class.

Investments are distributed across fixed income, equity, real estate, private equity and hedge fund investments. Fixed income investments are loans, bonds and money market instruments. Keva manages some of the investments, others are managed by external asset

### Investments at fair value

	€m	%
Fixed income investments	17 952	27,3
Equity investments	26 204	39,9
Real estate investments	4 502	6,9
Private equity investments	12 487	19,0
Hedge funds	4 540	6,9
<b>Total</b>	<b>65 685</b>	<b>100</b>

### FX allocation of investments at fair value

	€m	%
EUR	28 169	42,9
USD	33 363	50,8
JPY	2 488	3,8
GBP	298	0,5
SEK	969	1,5
CHF	129	0,2
Other	269	0,4
<b>Total</b>	<b>65 685</b>	<b>100</b>

### Geographical allocation of investments at fair value

	€m	%
Europe (excl. Finland)	21 184	32,3
North America	21 045	32,0
Finland	8 768	13,3
Emerging markets	8 021	12,2
Japan	2 479	3,8
Other	4 188	6,4
<b>Total</b>	<b>65 685</b>	<b>100</b>

managers. Reaching the return target is also hedged by derivative instruments, the effects of which on asset class allocation are taken into account in the figures describing the risk-adjusted distribution of investment assets.

Of the different investment assets, the best performers were listed equities at 10.1%, fixed income investments at 9.0%, hedge fund investments at 6.6% and private equity investments at 2.8%, whereas the returns on real estate investments were in negative territory at -6.1%.

At year end, listed equities accounted for 33.7% of the risk-appropriate market value of Keva's investment assets, fixed income investments for 27.4%, private equity investments (including unlisted equities) for 19.0%, hedge funds for 6.9% and real estate for 6.9%. The impact of derivatives on the risk-appropriate allocation was 6.1%.

After costs, the total market value return on Keva's investments was 6.8%. The cumulative capital-weighted real return since funding started in 1988 to year-end 2023 was 3.7% a year. The average real return, excluding capital weighting, over the same period was 4.8%. The five-year nominal return excluding capital weighting has been 6.3% and the real return 2.8%. The ten-year nominal return excluding capital weighting has been 5.7% and the real return 3.6%.

### Fixed income investments

The year on the fixed income markets in 2023 was largely dominated by central bank actions. Key interest rates were raised in the fight against inflation. Towards the end of the year, however, there were hopes of already moving towards a world of falling interest rates.

Keva's investments in bonds and fixed income funds had a market value of EUR 13,714 million at year-end 2023. The market value return on bond investments was 10.5%.

Loan receivables, except loans granted to Keva companies, totalled EUR 1.5 million at year-end 2023. The loan portfolio decreased by EUR 57 million during the year and the market value return on loan receivables was -2.0%.

Other money market instruments and deposits totalled EUR 4,237 million at year-end 2023.

A total of EUR 250 million in interest income was booked for fixed income investments. The market value return on all fixed income investments was 9.0%.

### Equity investments

The equity year in 2023 began on a very calm note, but towards the end of the year, there were market hopes that interest rates would begin to fall. And that interest rate hikes might not hit the economy as badly as had been feared. Consequently, strong gains on many markets were seen towards the end of the year, albeit with rather different developments geographically.

The MSCI ACWI IMI, which illustrates the average performance of the world's equities, returned 17.4% in 2023, compared to -13.4% a year earlier. Measured by MSCI Europe IMI, the return on European equities was 15.5% (2022: -11.2%). The return on Asian equities (MSCI AC Asia IMI) was 5.8% (-15.4%).

At year-end 2023, the total market value of Keva's listed equity investments was EUR 26,204 million. Dividends received on equity invest-

ments were EUR 57 million. The market value return on listed equity investments was 10.1%.

## Real estate investments

Keva's real estate portfolio consists of direct investments in Finnish and Nordic real estate and real estate equities as well as investments in Finnish and foreign real estate funds. Real estate funds account for 29.7% of Keva's real estate investments.

In the direct real estate portfolio, the aim is for the diverse development of the portfolio by investing in i.a. residential, office, shopping centre and hotel properties. Keva began to diversify the geographical spread of its direct real estate portfolio to the other Nordic countries in 2015, starting with investments in Sweden and followed by Denmark in 2017.

The year-end market value of real estate and real estate equities was EUR 4,502 million, of which real estate funds accounted for EUR 1,336 million and traditional bonds in real estate companies accounted for EUR 0 million. In addition, Keva had investments of EUR 43 million in real estate in its own use, but these are not included in investment operations.

At year-end 2023, the 134 real estate properties owned directly by Keva had a total lettable area of around 917,000 m<sup>2</sup> and there were around 4,300 leases. The total market value return on direct real estate investments was -4.5%. Write-downs totalling EUR 254 million were made on direct real estate investments.

Investment commitments made in Finnish and foreign real estate funds totalled EUR 3,173 million, of which undrawn commitments

amounted to EUR 1,333 million. The market value return on real estate funds was -9.9%.

The market value return on all real estate investments was -6.1%.

## Private equity and hedge fund investments

Private equity investments were driven by an exceptionally strong result for 2021. Reflecting this, the private equity market was already surprisingly calm in 2022; especially in relation to the listed stock market. The year 2023 was still quite moderate in terms of valuations, but market activity was also low. Hedge fund performance in 2023 was rather good, as was the case a year earlier.

At year-end, Keva's private equity investments had a market value of EUR 12,487 million, of which investments in unlisted companies accounted for EUR 825 million. Investment commitments made to private equity investments in equity funds and as a silent partner at year-end totalled EUR 17,293 million, of which undrawn commitments amounted to EUR 5,436 million. The market value return on private equity investments (excl. unlisted equities) was 2.4% and the return on unlisted equities was 8.3%.

Investments in hedge funds had a market value totalling EUR 4,540 million at year end and the market value return on hedge funds was 6.6%.

## Steering of investment operations

Keva's strategy defines the key principles for funding Keva's system. The strategic objectives set for investment operations are derived from these principles.

Keva's Board of Directors considerably revised Keva's steering of investment operations in 2017. Keva's Board of Directors adopted Keva's investment beliefs for the first time. These beliefs describe the general starting points, irrespective of time and situation, on which our investment and organisation of investment operations are based.

In the shorter term, the Board of Directors steers investment operations and adopts an annual investment plan which also includes investment mandates.

Keva's Board of Directors adopted the current investment beliefs on 24 May 2017 and the investment strategy on 15 June 2017. Implementation of the investment strategy continued until 2022, when we moved to the running implementation phase of the investment strategy.

## Responsible investing

The returns needed to cover pension liability are driven by economic growth and generated in the long term. Sustainable economic development is an essential factor in the pursuit of long-term returns. Keva considers responsible investing to be an integrated part of long-horizon investment operations.

Keva's Board of Directors has decided on the key principles of social responsibility and goals to be complied with in investment operations. The Board of Directors has also outlined the ways of working and procedures to be used to ensure that social responsibility is integrated into the investment process.

The Board of Directors receives regular reports on how responsibility has developed in investment operations. Keva's own ways of working are supplemented with information that Keva obtains from external service providers specialising in responsible investing.



## Subsidiaries and associated companies

At year-end 2023, Keva owned in whole or in part a total of 130 Finnish real estate companies, the same as a year earlier. Keva owned 112 Finnish real estate companies in full and had a majority holding in eight others. There were seven associated companies (holding of 20-50%) and five real estate companies in which Keva had a smaller holding than this. In addition to Finnish real estate companies, Keva had

a 49.4% holding in a real estate company set up in Sweden and a 100% holding in a Danish company. These companies manage real estate investments in those countries.

Besides real estate companies, Keva held the entire share capital in Kuntasijoitus KE Oy and had a 30.66% stake in Municipal Finance Plc.



## Pension liability fund

The gap between Keva's annual income and expenditure is added to or deducted from the pension liability fund. At year-end 2023, the

fund stood at EUR 66,164 million, which was EUR 3,517 million or 5.6% higher than a year earlier.



## Net present value of accrued benefits in Keva member organisations' pension system

Based on the provisions of pension legislation, the value of benefits that have accrued in Keva member organisations' pension system, but which are not yet paid, considerably exceeds the value of the pension liability fund. The net present value of the accrued benefits was estimated to have been EUR 152.4 billion, which is EUR 7.9 billion more than the mortality rate derived from insured persons belonging to Keva member organisations' pension scheme at year-end 2022. Introduction of the new mortality rate affected the capital value by EUR 3.3 billion compared to 2022.

Since also the pension liability fund increased, the net present value of the unfunded benefits increased by EUR 4.3 billion during 2023.

The funding ratio describes the ratio of the pension liability fund to the net present value of accrued benefits and at year-end 2023, this was 43%, which was the same as the funding ratio calculated using the new mortality rate at the end of 2022.



## Operating costs, depreciation and statutory payments

Keva's operating costs and depreciation before reimbursements (gross operating costs) in 2023 totalled EUR 91.7 million, which was EUR 4.6 million or 5.3% higher than in 2022. Operating costs rose by EUR 3.5 million or 4.3%, whereas depreciation rose by EUR 1.1 million.

The largest individual cost item was personnel expenses, which were EUR 45.9 million, EUR 3.2 million or 7.4% higher than a year earlier. IT costs were EUR 25.3 million, EUR 0.6 million or 2.6% higher than in 2022. Other operating costs were EUR 13.4 million, EUR 0.3 million or 2.3% lower than a year earlier.

To reduce the risk of incapacity for work in the public sector, in summer 2022 Keva received a central government transfer for the Sustainable working life project. Keva and the State are investing equally in the three-year project, which has a total budget of EUR 7 million. Actual project costs in 2023 were around EUR 1.9 million, of which Keva contributed around EUR 0.9 million.

Keva received reimbursements totalling around EUR 17.7 million (2022: EUR 16.3 million) for operating costs and depreciation for managing the pension provision of other than Keva member organisations. Of this reimbursement, the State accounted for around EUR 14.2 million, the Evangelical Lutheran Church for around EUR 2.0 million, the Social Insurance Institution of Finland Kela for around EUR 0.6 million and the Bank of Finland for around EUR 0.2 million. In addition, reimbursements of EUR 0.7 million were received from other parties.

Keva's net operating costs, taking into account reimbursements received, reflect the costs

of managing the pension provision of Keva member organisations. These costs were EUR 74.0 million, which was EUR 3.2 million or 4.6% higher than a year earlier.

When examined by function, the gross operating costs and depreciation of pension operations were EUR 43.7 million, 7.9% higher than a year earlier. Depreciation of pension operations in particular was much higher at EUR 1.2 million. Taking into account reimbursements received, pension operation costs rose by 7.5%. The costs of investment operations were EUR 22.4 million, 0.1% lower than in 2022. No reimbursements were allocated to investment operations. Gross operating costs and depreciation of other operations were EUR 25.6 million, 5.9% more than a year earlier. Taking into account the reimbursements received, costs of other operations were 5.6% higher.

IT software and hardware investments were EUR 9 million, EUR 1.5 million more than a year earlier. The increase in the total amount was primarily due to additional investments in the development of the pensions payment system (Emma project). This multi-year project continues and by year-end 2023, the total project costs are EUR 26.5 million.

Depreciation according to the plan in 2023 was EUR 7.1 million, EUR 1.1 million more than in 2022.

Statutory payments refer to Keva's share of the costs of the Finnish Centre for Pensions, the Pension Appeal Board and the Financial Supervisory Authority. In 2023, these costs amounted to around EUR 8.6 million, EUR 0.6 million less than a year earlier. Around EUR 2.1 million of these statutory costs were paid by the State,



Evangelical Lutheran Church, the Social Insurance Institution of Finland Kela and the Bank of Finland.

All in all, Keva received EUR 19.1 million, EUR 1.1 million more than in 2022, in reimbursements

for operating costs, depreciation and statutory payments from the State, the Evangelical Lutheran Church, the Social Insurance Institution of Finland Kela and the Bank of Finland.



## Administration

Keva's governing bodies are the Councillors, the Election Committee of the Councillors and the Board of Directors, which has appointed an Audit and Risk Management Committee from among its members to deal with statutory duties. The CEO is assisted by Keva's Management Group, whose duties are specified in the rules of procedure adopted by the Board of Directors. It has been decided separately to appoint a risk management executive team and an investment operations executive team, both of which will be chaired by the CEO.

### Councillors

Keva has 30 Councillors, each of whom has a personal deputy. The Ministry of Finance appoints the Councillors for four years at a time. Six Councillors and as many deputies are appointed from among the persons put forward by the principal contracting organisations referred to in the local government main agreement. Four Councillors and as many deputies are appointed from among persons put forward by the Local Government and County Employers KT. The twenty other Councillors and their deputies are appointed from among the persons put forward by the central organisation for Finland's municipalities so that municipalities, joint municipal authorities and different parts of the country are fairly represented by the Councillors.

The provision of section 8a of the Act on Keva, which entered into force on 1 April 2023, will be applied to the Council appointed in 2025. Six councillors and as many deputy councillors are appointed from among the persons put forward by the principal contracting party organisations representing municipal and wellbeing services county employees. Four councillors and as many deputy councillors

are appointed from persons put forward by the Local Government and Wellbeing Services Counties Employers KT. The twenty other Councillors and their deputies are appointed from among the persons put forward by the central organisation for Finland's municipalities so that municipalities, joint municipal authorities, wellbeing services counties and different parts of the country are fairly represented by the Councillors. The combined share of votes received by the various groups in municipal elections and country elections in accordance with the principle of proportionality provided for in the Elections Act (714/1998) is taken into account in the appointment of municipal and joint municipal authority, wellbeing services counties and joint county authorities for wellbeing services Councillors and deputies.

The Councillors are responsible for supervising Keva's administration and operations, electing the members and deputy members of the Board of Directors and the auditor, deciding the criteria for remuneration and other emoluments to be paid to elected officials, considering the financial statements and the auditor's report, and deciding on the adoption of the financial statements, the discharge of liability to the Board of Directors and other accountable persons, and any other steps warranted, deciding on the contribution shares of member organisations and for adopting the budget for the following year to be followed as the general directions of the management of finances, and an operational and financial plan for three or more years.

The 30 Councillors appointed by the Ministry of Finance on 19 August 2021 began their four-year term of office on 1 September 2021. The Councillors who had begun their term of

office in August 2021 convened three times in 2023. The Councillors were chaired by Mr Eero Reijonen, entrepreneur, chairman of the Board, from Liperi and the deputy chairperson was Mr Heikki Vestman, Finnish MP, attorney, from Sipoo.

Keva has an Election Committee elected by the Councillors. The Election Committee prepares a proposal for the Councillors for the emoluments of elected officials and for the appointment of the Board of Directors. Election Committee members must be Keva Councillors. The Councillors' Election Committee was chaired by Mr Eero Suutari and the deputy chairperson was Mr Toni Eklund. The Election Committee has nine Councillors as members and convened twice in 2023.

The attendance rate at meetings in 2023 of the Council's ordinary members beginning their term of office on 1 September 2021 was 98% and 99% when deputy members were included. Councillors are paid an attendance fee of EUR 500 for meetings, in addition to which the chairperson and deputy chairperson are paid an annual fee of EUR 15,000 and EUR 10,000 respectively. The Councillors were paid attendance fees totalling EUR 70,118 in 2023.

## Board of Directors

Keva's administration is the responsibility of the Board of Directors, which the Councillors elect for a two-year term of office. The Board of Directors has 11 members, each of whom has a personal deputy. Three members of the Board of Directors and their deputies are elected from persons put forward by the principal contracting party organisations representing municipal and wellbeing services county employees.

Two members and their deputies are elected from among the persons put forward by Local Government and County Employers KT. Six members of the Board of Directors and their deputies are elected from among the persons jointly put forward by the central organisation for Finland's municipalities and the wellbeing services counties. The Councillors appoint one ordinary member as chairperson and one as deputy chairperson.

In their meeting on 5 October 2023, at the proposal of the Councillors' Election Committee, the Councillors elected Mr Heikki Autto, Finnish MP, from Rovaniemi as chair of the Board of Directors and re-elected Ms Diana Bergroth-Lampinen MSc (Econ. and Bus. Admin.), Communications and HR Manager, from Pori as deputy chair, and other members of the Board of Directors as follows: Mr Toni Eklund, CEO; Mr Markku Jalonen Director General; Ms Anne Holmlund, Financial manager; Ms Else-Mai Kirvesniemi, Executive director; Markus Lohi, Finnish MP; Ms Kirsi-Marja Lievonen, HR director; Ms Katarina Murto, president; Ms Päivi Niemi-Laine, chair; and Mr Matti Putkonen, labourer to the Board of Directors for the term of office 2023–2025.

During the term of office of the Board of Directors that ended on 5 October 2023, the Board was chaired by Finnish MP and party chair Mr Petteri Orpo, with Ms Diana Bergroth-Lampinen MSc (Econ. and Bus. Admin.), Communications and HR manager, as deputy chair. Other members of the Board of Directors were Ms Outi Alanko-Kahiluoto, Ms Anne Holmlund, Mr Markku Jalonen, Ms Kirsi-Marja Lievonen, Mr Markus Lohi, Ms Anne Murto, Ms Päivi Niemi-Laine, Mr Matti Putkonen and Ms Anne Sainila-Vaarno.

The Board of Directors met 13 times during the year under review. The attendance rate of ordinary members was 98% and 99% when deputy members are included. The chair and deputy chair of the Councillors have the right to attend and speak at Board of Directors' meetings.

Under the decision of the Councillors on 5 October 2023, the attendance fee for Board members is EUR 500. In addition, the chair of the Board of Directors is paid an annual fee of EUR 22,000, the deputy chair EUR 14,000 and Board members EUR 10,000.

Board members were paid attendance fees totalling EUR 83,620 in 2023.

## Audit and Risk Management Committee

Keva has a statutory body, the Board of Directors' Audit and Risk Management Committee, which is tasked with overseeing the adequacy and appropriateness of financial reporting, internal control, internal audit and risk management. The Committee considers the plans and reports of the risk management, internal audit and compliance function. In addition, the Committee prepares the proposal for the election and fees of the auditor for Keva Councillors and oversees the preparation of the financial statements and statutory audit. Under the decision on fees adopted by the Councillors, the attendance fee for members is EUR 500 for each meeting.

At its meeting on 22 September 2021, the Board of Directors adopted the Audit and Risk Management Committee's rules of procedure and elected five members to the Committee from among the Board members for the term of office 2021-2023. Until 5 October 2023, the

Committee was chaired by Mr Petteri Orpo, chair of the Board Directors, with Ms Diana Bergroth-Lampinen, deputy chair of the Board, serving as the Committee's deputy chair and Mr Markku Jalonen, Mr Markus Lohi and Ms Päivi Niemi-Laine as members. The Committee convened five times.

At its meeting on 5 October 2023, the Board of Directors elected five members to the Committee from among the Board members for the term of office 2023-2025. The Committee was chaired by Mr Heikki Autto, chair of the Board Directors, with Ms Diana Bergroth-Lampinen, deputy chair of the Board, serving as the Committee's deputy chair and Mr Markku Jalonen, Mr Markus Lohi and Ms Päivi Niemi-Laine as members. The Committee convened twice.

## Nomination and Remuneration Committee

At its meeting on 5 October 2023, the Board of Directors appointed a Nomination and Remuneration Committee from among its members. The Committee is tasked with preparing the selection and terms of service of the CEO and members of the Management Group. In addition, the Committee prepares changes to the performance bonus scheme and other matters concerning remuneration, which under the rules of procedure are decided by the Board of Directors. Mr Heikki Autto, chair of the Board of Directors, was elected to chair the Committee, and Ms Diana Bergroth-Lampinen, deputy chair of the Board of Directors was elected deputy chairperson. Ms Kirsi-Marja Lievonen, Ms Katarina Murto and Mr Matti Putkonen were elected members. The Committee convened once.

The Nomination and Remuneration Committee ending its term of office on 5 October 2023 was chaired by Mr Petteri Orpo, chair of the Board Directors, with Ms Diana Bergroth-Lampinen, deputy chair of the Board, serving as the Committee's deputy chair and Ms Kirsi-Marja Lievonen, Ms Katarina Murto and Mr Markus Lohi as members. The Committee convened twice.

### Working Life Development Working Group

On 8 November 2021, the Board of Directors elected a Working Life Development Working Group for its term of office. The Working Group had 18 members, six of whom were chosen on the basis of persons put forward by the principal municipal negotiating organisations. The Working Life Development Group is chaired by Ms Arja Aroheinä, HR Director at the City of Jyväskylä. The Working Life Development Working Group met three times in 2023.

### Management Group

Mr Jaakko Kiander served as Keva's CEO. Mr Tapani Hellstén and Mr Kimmo Mikander

served as deputy CEOs. Mr Hellstén's primary remit in 2023 was employer and work ability function and Mr Mikander's remit was pension and ICT function.

The CEO is supported in managing Keva by the Management Group, which meets on a regular basis. The Management Group prepares matters for submission to the Board of Directors and considers also other key matters relating to the management and planning of operations. The Management Group met 38 times during 2023.

The Management Group was chaired by CEO Mr Jaakko Kiander. Management Group members are deputy CEOs Mr Tapani Hellstén and Mr Kimmo Mikander, CIO Mr Ari Huotari, CFO Mr Tom Kåla (until 30 November 2023) and Communication Director Ms Reija Hyvärinen as well as staff representative Mr Pasi Lehto, chief shop steward. Administrative Director Mr Markus Mankin served as secretary to the Management Group.



## Personnel

At year-end 2023, Keva employed 502 (2022: 492) people, of whom 22 were temporary. The total work input was 475.7 full-time equivalents (2022: 468.1 fte). Women accounted for 65.4% of Keva's personnel and the average employee age was 49.2 years. There were 18 permanent employees leaving Keva and 19 permanent employees were hired in 2023.

### Development of people processes

In 2023, the Employer and Work Capacity function and pension operations implemented competence foresight processes to identify strategic changes in operations and related current strengths, new competence needs and competences that are being phased out. In addition, plans were made as to how learning needs would be met concretely through competence development in the near future.

A separate target for the success of supervisory work was set for the performance-based bonus scheme for 2024. A start was made on developing a set of indicators for supervisory work based on data collected on personnel and supervisors.

Decisions were taken in late 2022 to transfer payroll services to Monetra Pohjois-Savo Oy and the transfer took place in May 2023.

The beginning of the year also saw the introduction of procedures and rules of play related to personnel problem situations. The enhanced performance management process described how to address work issues and supervisors' responsibilities. In the process of preventing inappropriate treatment, a transparent procedure was created for reporting experienced and observed inappropriate behaviour safely and respecting the rights of the parties.

### Work community and work ability support

At the beginning of the year, units and teams made development plans based on the results of the Promenade Insight employee survey. The Kevavillis pulse survey was carried out regularly.

Succeed in the changing working life coaching was launched for the personnel in 2023. Coaching was based on the cornerstones of good expert work defined jointly in 2022. About 50 experts from different parts of the company took part in the coaching. Group coaching will continue in 2024.

The Equality and non-discrimination plan for 2023-2024 highlighted the importance of diversity. Keva again took part in the Pride month. In cooperation with the Social Insurance Institution of Finland Kela, the church and parishes, as well as the Helsinki Pride community, the first Pride seminar for the public sector was organised in June.

Occupational healthcare partnership with Terveystalo has become established and is at a good level. Overall occupational healthcare costs rose slightly compared to the previous year.

The beginning of 2023 saw the introduction of a comprehensive approach to work ability support was introduced, replacing the previous active support model based on sickness absence monitoring. Keva's Management Group reviews the Work ability management review twice a year.

Employee sickness absenteeism continued to remain lower than average compared to the time prior to 2020. Absences due to infections

increased with the normalisation of mobility following the years of the corona pandemic. There was also an increase in mental health-related sickness absences.

The personnel's health percentage fell after exceptionally high rates seen during the years of the corona pandemic, with around 44% of the personnel not absent at all due to illness during 2023.

The Regional State Administrative Agency carried out an occupational safety and health

audit at Keva, which targeted three teams. The audit recommended improving assessment of the risks of psychosocial stress.

As in earlier years, wellbeing in the workplace was supported through culture and exercise clubs, which continued to be partly held remotely. Keva also offered its employees culture and exercise benefits as well as employer-subsidised commuter tickets.



## ICT services

The focus of ICT was on ensuring Keva's mission by ensuring the functionality, smooth-running and security of information systems and digital services in different areas. Significant steps forward were made in the ICT operating environment in 2023. The development of new technologies made among other things artificial intelligence applications widely available to the public.

With regard to new technologies, our principle is orderly updating. Keva has significant ICT development projects underway in various application and business areas. During 2023, we migrated to become extensive users of cloud solutions. Other key development targets included automation, knowledge-based management and the development of Keva's interaction services. The Emma project to overhaul of the basic pensions payment system is also underway and progressing to plan. The project additionally aims to increase reliability

and quality of the system and system automation.

During 2023, we prepared, tendered and made significant ICT procurements in areas such as digital service development, infrastructure and cloud development partnerships, and the maintenance of pension payments.

Analytics are being used through projects and agile methods to systematically develop services provided to customers. Digital services for both employee and employer customers, improvements to user interfaces and automation of customer service are key areas of development. We prepared for cyber threats by developing Keva's information security architecture and equipment and by training Keva's personnel in various forms. The acceleration of digitalisation also creates expectations for the development and optimisation of internal operating processes.





## Internal control

Internal control means all management and operational internal control measures through which Keva's management seeks to ensure efficient, economical and reliable operations and to reach objectives. The internal control policy adopted by Keva's Board of Directors describes the key principles of internal control that are complied with as permanent guidelines in the arrangement of internal control.

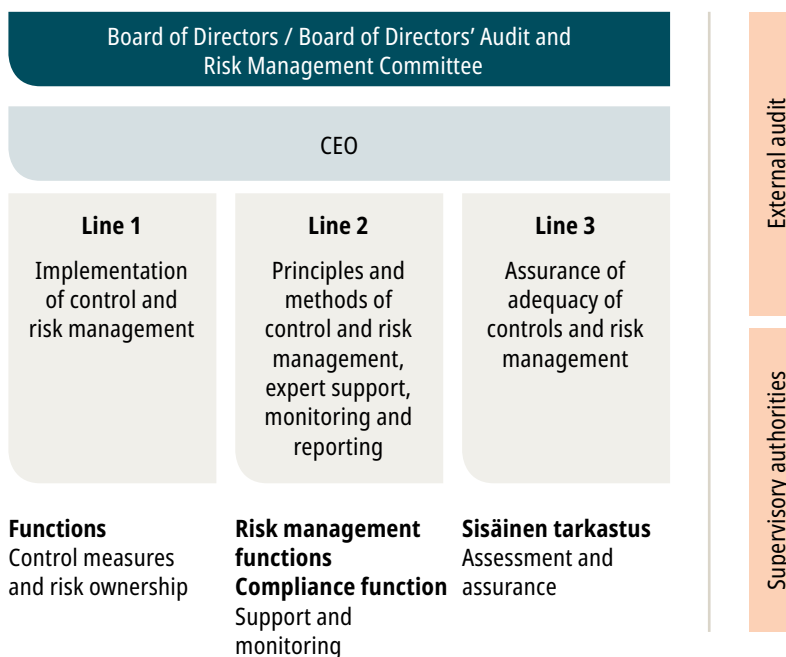
Besides daily control and supervisory control measures carried out in operations, key areas of internal control include risk management, compliance activities and internal audit.

## Risk management

Risk management is part of Keva's management and internal control. It encompasses values, corporate culture, organisation, processes and structures that represent the realisation of opportunities and which are used to manage adverse consequences. The Board of Directors, CEO and Management Group receive up-to-date comprehensive information about the risks relating to operations. This improves decision-making and preparation for the future.

In December 2023, Keva's Board of Directors adopted a written policy covering the entire

## Three lines of internal control and risk management



operation in the risk management system. The risk management system policy determines Keva's most significant risks, indicators, risk-taking parameters, risk management goals, risk management measures, responsibilities and control policy. Besides this, investment operations produces a separate "Risk management and plan for investment operations" document, which the Board of Directors adopts at the beginning of each year.

### **Risk management as part of strategy execution**

Risk management has been closely linked to different stages in the execution of Keva's strategy. The Board of Directors adopted Keva's third risk assessment in June 2023. Quarterly reporting to the Board on risk materialisation continued as part of the risk management process according to Keva's annual clock. Besides this, Keva further developed contingency planning.

A Keva-level summary of the risk assessment rounds was reported to the CEO and the risk management executive team every six months.

Keva continued to develop data security and data protection policies, processes and guidelines. Data security and protection risks were highlighted in personnel training and data security exercises were also held in addition to training. In particular, training on the processing of personal data was aimed at the Work Ability Solutions Unit. Development work focused among other things on the establishment of the practices and processes required by the EU General Data Protection Regulation and on the development of information systems that comply with data protection and security requirements. Data protection impact assess-

ments were carried out as the clouding project progressed.

Risk management in investment operations continued to develop risk reporting and the operating and reporting processes and structures of the steering and monitoring system for investment operations.

The Risk Management, Compliance and Administration Unit was responsible for among other things the independent risk management of risk-taking activities in accordance with the Act on Keva. The unit is staffed by independent risk management experts and compliance officers under the Administrative Director.

Keva has a company level contingency plan adopted by the Board of Directors that includes continuity management and contingency planning. This is complemented by function-specific contingency plans adopted by the Management Group to ensure the continuity of operations as required by law.

### **Most significant risks**

The most significant tasks of risk management in 2023 related to the development of Keva's risk management process and tools. The risk management process is increasingly subject to various regulatory requirements and, at the same time, it must be able to adapt to changes and needs in other operations. In 2023, Keva significantly developed its risk management process and the tools needed to implement it in order to meet these requirements and anticipate future needs.

Besides the knock-on effects of the war in Ukraine on the global economy (including the impacts of central banks' interest rate policy

on the economy), the biggest change factors in Keva's operating environment included the start of the wellbeing services counties at the beginning of 2023. In recent years, the debate on the adequacy of pension funding in the sector has been closely linked to the adequacy of investment returns and the need to raise the risk level in order to increase them. The discussion has continued in the sector and Keva has also taken this into account.

Keva's most significant strategic risk continues to be the adequacy of long-term funding also in 2023. The adequacy of funding is assessed regularly and, although the funding situation has improved in recent years, the long-term development is less favourable. In order to manage the risk, Keva's Board of Directors decided in 2023 on a policy to significantly increase the risk level related to Keva's investment operations. This is described in more detail in the section discussing investment operations. The cumulative capital-weighted, annual long-term real return on investments between 1988 and 2023 was 3.7%.

Keva's significant risks are also related to the active development of operations. In the medium term, significant risks were estimated to be included in the development of personnel competence in a situation where the continuous development of operations requires new kinds of professional and technological competence at the same time as changes in the personnel structure due to the relatively significant retirement rate.

The most significant operative risks in 2023 related to the personnel and management, information systems, data security and protection as well as to procurement and project management.

### Market and liquidity risks

The fluctuation in market values is a short-term investment risk. This risk can be measured by Value-at-Risk (VaR). The VaR for Keva's investments calculated on the basis of monthly returns over a two-year period at year-end 2023 was EUR 2,081 million, which means that with a 97.5% probability, this is the greatest possible loss on the entire investment portfolio within a time span of one month. At year-end 2022, the VaR was EUR 1,980 million. Annual volatility was 5.6% (2022: 6.2%).

Since the end of 2017, Keva's contribution income has no longer covered all pension expenditure. Since pension expenditure is growing and the net income from operations is negative, the importance of the investment portfolio and long- and short-term liquidity will continue growing.

### Compliance

Keva has an independent Compliance function which supports management and the entire organisation in ensuring compliance with good governance and the internal and external rules guiding operations. Keva has a compliance officer and an investment compliance officer. The Compliance officer reports to the Administrative Director, CEO, the Audit and Risk Management Committee and Keva's Board of Directors. The Investment compliance officer reports to the Administrative Director, CEO, the investment operations executive team, the risk management executive team, the Audit and Risk Management Committee and to the Board of Directors.

The Board of Directors has adopted the compliance policy, which defines the duties and mandate of compliance. In autumn 2023, the

Board of Directors adopted a new Keva compliance programme, which indicates key regulations on a risk-based basis, compliance with which must be ensured especially by defining responsibilities for monitoring changes and other measures related to ensuring regulatory compliance. In practice, the work of compliance officers is guided by more detailed work plans approved by the Board of Directors. Compliance oversees compliance with the norms and reports regularly to the Risk Management Team and the Audit and Risk Management Committee of the Board of Directors. In addition, the provision of advice and guidelines strengthens confidence in Keva's operations and strengthens a responsible corporate culture. In terms of investment activities, compliance is responsible for monitoring the new regulation in accordance with the amendment to the policy adopted in 2023.

The Compliance officer is responsible for compliance at Keva other than compliance of investment operations. The Investment compliance officer is responsible for ensuring compliance of investment operations. Both the Compliance officer and the Investment compliance officer are part of the Compliance, Risk Management and Administration Unit, which is headed by the Administrative Director.

During 2023, the Compliance officer conducted annual function-specific focus area reviews. Reports were prepared on these reviews and reported to the risk management executive team and the Audit and Risk Management Committee of the Board of Directors. Compliance assessments were carried out on pre-determined targets. The emphasis of the autumn operational risk survey round was on compliance. The compliance risks of each unit

are reviewed in more detail in an annual round, which is carried out in cooperation with risk management. The Compliance officer participated in the implementation of the new GRC software. Cooperation between Keva and its supervisors, i.e. the Ministry of Finance, the Financial Supervisory Authority, continued with regular informal meetings in which all parties were simultaneously present. The Compliance officer worked as part of Keva's responsibility group, which drafted the responsibility beliefs, which were adopted by the Board of Directors in December 2023. Quality control of solution operations was carried out quarterly.

The Investment compliance officer assessed the regulatory compliance of Keva's investment operations, participated in the maintenance and development of Keva's compliance principles and processes, and supported investment operations in complying with regulations, regulations and guidelines. The main method for assessing regulatory compliance was compliance assessments, of which there were 4 in the 2023 action plan. Compliance assessments are reported to the risk management executive team and the Audit and Risk Management Committee of the Board of Directors. In addition to our own audit and observation activities, continuous monitoring of investment activities was carried out by evaluating the data of the independent monitoring by investment risk team describing compliance with investment limits. The Investment compliance officer reports on its operations and key compliance observations to the Audit and Risk Management Committee of the Board of Directors. The Investment Compliance Officer participated in regulatory monitoring and its arrangement, and chaired the investment compliance group. Important partners included

the management of Keva's investment operations, internal audit, the CRH unit including the risk management manager and the independent monitoring team for investment risk, the Financial Supervisory Authority and the Finnish Pension Insurance Association TELA. The Investment compliance officer took part in the competitive tendering processes for the legal expert service for investment operations and the sanctions monitoring service.

One report was received via Keva's internal whistleblowing channel (ethics channel,) in 2023. The ethics group examined and processed the report and gave its response through the whistleblowing channel to the anonymous informant.

In 2023, Compliance was involved in tracking the progress of key legislative projects affecting Keva and its operating environment and assessed the implications of these projects.

### **Internal audit**

Internal audit is part of Keva's control and supervision system and assists the CEO and

supports the Board of Directors in their supervisory duties. Internal audit is tasked with independently and objectively assessing and ensuring the adequacy and effectiveness of the internal control, management and governance procedures of Keva's operations and processes. Internal audit also issues recommendations and proposals for development to improve these processes.

Internal audit is based on the internal audit policy adopted by the Board of Directors which defines the organisational status, mandate, responsibilities and tasks of internal auditing. Internal audit prepares an annual action plan, which is adopted by the Board of Directors after consideration by the Audit and Risk Management Committee. Internal audit is administratively an independent function subordinate to the CEO. The function reports on its operations to the CEO, the Audit and Risk Management Committee of the Board of Directors and to the Board of Directors.



## Responsibility principles

On 13 December 2023, the Board of Directors adopted Keva's responsibility principles. As previously outlined, Keva will not have separate responsibility targets or a separate programme from 2023 onwards, but this will be implemented as part of Keva's strategy. Strategic indicators are also indicators of responsibility. In terms of investment operations, the Board of Directors adopted the responsible investment beliefs separately in 2017.

Headed by Communication Director Reija Hyvärinen, Keva's responsibility group, which consists of representatives from a wide range of functions, prepared the responsibility principles, which outline the beliefs and guiding

principles related to responsibility that are most relevant to Keva's duties.

Our responsibility principles are:

- We take good care of our customers
- We ensure pension funding for future generations
- We are an innovative and healthy work community
- We work thoroughly and efficiently
- We take responsibility for the environment and society

Keva publishes an annual responsibility report.



## Outlook

Tight monetary policy will continue to slow the global economy in 2024, but growth is expected to gradually pick up. There are a number of downside risks associated with this development. The growth outlook is particularly supported by the slowdown in inflation and the consequent expectation of monetary policy easing. Global trade is expected to grow. The outlook looks strongest in the United States and more subdued in Europe and China.

Uncertainty is caused by the continuation of Russia's war of aggression and the Middle East conflict, as well as other geopolitical tensions and the related escalation risks. The transmission of high interest rates to the real economy is still partly ongoing. A resurgence of inflation is not excluded. These factors may result in unexpected market risks.

In Finland, despite the adjustment measures decided, the deficit in general government finances will remain high due to population ageing and declining growth in public sector revenue. This has created expectations of additional adjustment measures that may affect the finances and operations of Keva and its member organisations.

Local government finances will again slip chronically into deficit from 2024 onwards. The financial position of the wellbeing services counties is showing a deficit of over EUR 1 billion in the first year of operation, which requires them to take adjustment measures. The Government Programme also aims to curb the growth in the costs of health and social services by just over EUR 1 billion through various measures by 2027.

The tightness of the finances of municipalities and wellbeing services counties may increase pressure to reduce, outsource or privatise service production, which will have a negative impact on the sum of wages and salary of employees with pension cover from Keva. The adjustment measures targeted at unemployment security, adult education allowance and job alternation leave will reduce the Employment Fund's contribution to Keva, which will exert pressure to increase the contributions collected from municipalities and wellbeing services counties to 0.18% of wages and salaries from 2025 onwards (approximately EUR 43.3 million).

Population ageing increases the need for public care and treatment services. At the same time, the brisk retirement in the sector will continue. The shortage of skilled labour is already serious in some places in the health and social services sector and difficulties caused by the availability of employees do not seem to be getting any easier.

Public sector salaries were agreed in autumn 2022 and the next negotiations will take place in spring 2025. In the next few years, wages and salaries in Keva's member organisations will rise slightly faster than the general earnings level as a result of the pay programme and the harmonisation of wages in the wellbeing services counties.

Limited liability company customers account for around 11% of the sum of wages and salaries of Keva member organisations. There is uncertainty as to the development of the sum of wages and salaries in the segment. Changes in the regulatory environment concerning companies owned by the municipalities and wellbeing

services counties may affect the sum of wages and salaries of employees with pension cover from Keva. The Government Programme outlines restrictions on in-house procurements, for which more detailed preparations are ongoing. The Government proposal is expected to be submitted in autumn 2025.

Despite the changes in the operating environment, Keva's position and financing base are expected to remain stable based on current information, although the uncertainty of the outlook has increased somewhat. The outlook for funding will next be examined in a report on the level of payments to be prepared in autumn 2024.



# Appendix

## Pension system-specific tables

### Total pension application processing time in days and service level 2023

Pension type	Local government and wellbeing services counties	State days	Church days	Kela days	Bank of Finland	Private providers
Old-age pension	5	4	4	5	11	7
Partial early old-age pension	2	2	1	1	29	2
Disability pension	27	27	29	23	78	33
Survivor's pension	6	6	5	4	4	13
Rehabilitation pledge	16	13	16	17	19	16
Service level	95,4	96,7	94,3	95,8	96,8	..

Source for processing times: Finnish Centre for Pensions

### Application rejection rates 2023

Application	Local government and wellbeing services counties %	State %	Church %	Kela %	Bank of Finland %	Private providers %
New disability pension	31,5	23,9	30,6	17,3	..	40,4
Rehabilitation	48,2	44,4	59,6	71,1	..	53,2

Source: Finnish Centre for Pensions

### Pension decision rectification procedure 2023

Rectified by Keva	Local government and wellbeing services counties	State	Church	Kela	Bank of Finland	
<i>Number of appeals against Keva decisions</i>		1 216	188	40	17	..
Rectification rate of all appeals, %		11	16,5	7,5	11,8	..
Number of appeals concerning work ability assessment		1 048	113	31	16	..
Rectification rate of appeals concerning work ability assessment, %		10,4	17,7	9,7	12,5	..
<i>Number of appeals against decisions of the Pension Appeal Board</i>		85	13	8	0	..
Rectification rate of all appeals, %		2,4	0	0	..	..
Number of appeals concerning work ability assessment		74	8	8	0	..
Rectification rate of appeals concerning work ability assessment, %		2,7	0	0	..	..

## Number of decisions

### Number of decisions on local government and wellbeing services county pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	14 418	17 238	-16,4
Partial early old-age pension	5 682	8 620	-34,1
Full disability pension	14 729	14 569	1,1
<i>of which new decisions</i>	5 404	5 034	7,4
Partial disability pension	8 695	9 428	-7,8
<i>of which new or preliminary decisions</i>	3 142	3 486	-9,9
Survivors' pension	3 649	3 326	9,7
Other pension matters	332	333	-0,3
Rehabilitation decisions	5 069	5 451	-7,0
<b>Total</b>	<b>52 574</b>	<b>58 965</b>	<b>-10,8</b>

### Number of decisions on State pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	4 340	5 085	-14,7
Partial early old-age pension	1 306	1 782	-26,7
Full disability pension	1 558	1 525	2,2
<i>of which new decisions</i>	536	520	3,1
Partial disability pension	1 034	1 184	-12,7
<i>of which new or preliminary decisions</i>	374	452	-17,3
Survivors' pension	2 936	2 766	6,1
Other pension matters	56	5	1 020,0
Rehabilitation decisions	482	530	-9,1
<b>Total</b>	<b>11 712</b>	<b>12 877</b>	<b>-9,0</b>

### Number of decisions on Church pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	559	661	-15,4
Partial early old-age pension	210	286	-26,6
Full disability pension	608	590	3,1
<i>of which new decisions</i>	233	209	11,5
Partial disability pension	169	205	-17,6
<i>of which new or preliminary decisions</i>	65	82	-20,7
Survivors' pension	186	199	-6,5
Other pension matters	0	0	..
Rehabilitation decisions	89	134	-33,6
<b>Total</b>	<b>1 821</b>	<b>2 075</b>	<b>-12,2</b>

### Number of decisions on Kela salaried employee pension and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	134	148	-9,5
Partial early old-age pension	76	104	-26,9
Full disability pension	102	116	-12,1
<i>of which new decisions</i>	21	29	-27,6
Partial disability pension	193	206	-6,3
<i>of which new or preliminary decisions</i>	63	75	-16,0
Survivors' pension	39	47	-17,0
Other pension matters	1	0	..
Rehabilitation decisions	68	67	1,5
<b>Total</b>	<b>613</b>	<b>688</b>	<b>-10,9</b>

### Number of decision on Bank of Finland pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	67	89	-24,7
Other pensions and benefits	88	101	-12,9
<b>Total</b>	<b>155</b>	<b>190</b>	<b>-18,4</b>

## Number of applications

### Number of applications for local government and wellbeing services county pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	14 420	17 230	-16,3
Partial early old-age pension	5 693	8 618	-33,9
Full disability pension (incl. rehabilitation allowance and years-of service pension)	14 827	14 688	0,9
Partial disability pension (incl. partial rehabilitation allowance)	8 680	9 369	-7,4
Survivors' pension	3 664	3 323	10,3
Other pension matters	355	387	-8,3
Rehabilitation	5 184	5 658	-8,4
<b>Total</b>	<b>52 823</b>	<b>59 273</b>	<b>-10,9</b>

### Number of applications for State pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	4 340	5 062	-14,3
Partial early old-age pension	1 309	1 782	-26,5
Full disability pension (incl. rehabilitation allowance and years-of service pension)	1 576	1 515	4,0
Partial disability pension (incl. partial rehabilitation allowance)	1 038	1 168	-11,1
Survivors' pension	2 935	2 770	6,0
Other pension matters	55	6	816,7
Rehabilitation	486	552	-12,0
<b>Total</b>	<b>11 739</b>	<b>12 855</b>	<b>-8,7</b>

### Number of applications for Church pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	554	666	-16,8
Partial early old-age pension	210	286	-26,6
Full disability pension (incl. rehabilitation allowance and years-of service pension)	613	605	1,3
Partial disability pension (incl. partial rehabilitation allowance)	165	212	-22,2
Survivors' pension	186	200	-7,0
Other pension matters	0	0	..
Rehabilitation	103	145	-29,0
<b>Total</b>	<b>1 831</b>	<b>2 114</b>	<b>-13,4</b>

### Number of applications for Kela salaried employee pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pension	131	148	-11,5
Partial early old-age pension	77	104	-26,0
Full disability pension (incl. rehabilitation allowance and years-of service pension)	102	109	-6,4
Partial disability pension (incl. partial rehabilitation allowance)	190	205	-7,3
Survivors' pension	39	47	-17,0
Other pension matters	1	0	..
Rehabilitation	78	70	11,4
<b>Total</b>	<b>618</b>	<b>683</b>	<b>-9,5</b>

### Number of applications for Bank of Finland pensions and other benefits by pension type 2023 and 2022

Type	2023 no.	2022 no.	Change %
Old-age pensions	67	91	-26,4
Other pensions and benefits	90	99	-9,1
<b>Total</b>	<b>157</b>	<b>190</b>	<b>-17,4</b>

## Persons retiring

### Number of persons retiring from service by pension type 2023

Pension type	Local government and wellbeing services counties no.	State no.	Church no.	Kela no.	Bank of Finland no.
Old-age pension	7 466	2 580	293	80	12
Full disability pension (incl. years-of-service pension)	853	110	47	2	0
Full rehabilitation allowance	1 446	194	63	11	0
Partial disability pension	1 878	227	45	37	0
<b>Total</b>	<b>11 643</b>	<b>3 111</b>	<b>448</b>	<b>130</b>	<b>12</b>

### Average age of persons retiring from service by pension type 2023

Pension type	Local government and wellbeing services counties yr	State yr	Church yr	Kela yr	Bank of Finland yr
Old-age pension	64,8	64,1	65,1	65,2	65
Full disability pension (incl. years-of-service pension)	60,4	59,8	60,3	..	..
Full rehabilitation allowance	49,5	52,4	52,4	48,1	..
Partial disability pension	56,3	56,9	56,8	48,7	..
<b>Total</b>	<b>61,2</b>	<b>62,7</b>	<b>62</b>	<b>59</b>	<b>65</b>

## Governing bodies

### Keva Council 1 September 2021 – 31 August 2025

#### Councillors

Chair

Board chairperson, entrepreneur  
Mr Eero Reijonen, Liperi

Deputy chair

Finnish MP, lawyer  
Mr Heikki Vestman, Helsinki

Managing Director

Mr Jarmo J Husso, Oulu

Entrepreneur, BEng

Mr Eero Suutari, Kajaani

Assistant head nurse

Ms Aulikki Sihvonen, Kontiolahti

Private entrepreneur, MSc (Admin)

Ms Susanna Koski, Vaasa

Financial economist

Ms Nea Karenius, Järvenpää

Deputy mayor

Mr Pekka Salmi, Tampere

CEO

Mr Toni Eklund, Turku

Investment manager, MSc, MSc (Econ)

Ms Maija Kuusisto-Länsineva, Harjavalta

Foreman, electrician

Mr Jouni Kemppe, Lappeenranta

Teacher, Med

Ms Minna Sarvijärvi, Ylöjärvi

#### Deputy Councillors

OSH representative

Ms Paula Sihto, Seinäjoki

Mental health nurse

Mr Juhani Nummentalo, Salo

Economist

Ms Mervi Rings, Lemi

Safety manager

Mr Seppo Hujanen, Mäntyharju

Entrepreneur

Ms Erja Laaksonen, Jämsä

Executive director, Agricultural engineer

Ms Riikka Varila, Kuortane

HR project employee

Mr Ilkka Nokelainen, Imatra

Economist

Ms Miina-Anniina Heiskanen, Oulu

Oral hygienist

Ms Liisa Terävä, Rautjärvi

Finnish MP, Executive director

Mr Seppo Eskelinen, Joensuu

Agricultural entrepreneur, retired

Mr Tapio Havula, Mäntsälä

Bachelor in Health Care (nursing), First responder

Ms Miina Harmaala, Asikkala

**Councillors**

Service manager

Mr Teemu Meronen, Helsinki

Housing manager

Ms Minna Pöntinen, Mikkeli

Nurse

Ms Tanja Hartonen, Mäntyharju

Social adviser, retired

Ms Marke Tuominen, Äänekoski

PhD, Senior researcher

Mr Lauri Heikkilä, Marttila

Home support worker

Ms Eija Rannanpää, Vimpeli

City Councillor

Mr Matti Semi, Varkaus

Municipal manager

Ms Malin Brännkärr, Kruunupyö

MSc (Admin), Director of social and  
healthcare services

Ms Taina Niiranen

Local Government and County Employers KT

Director, Human resources

Ms Sinikka Valtonen

Local Government and County Employers KT

Director

Mr Jorma Haapanen

Local Government and County Employers KT

Municipal manager

Mr Juha Majalahti

Local Government and County Employers KT

**Deputy Councillors**

BA, eMBA

Mr Jussi Junni, Helsinki

Organisaiton expert

Ms Anne Lindgren, Riihimäki

Mechanical enegineer, retired

Mr Terho Korpikoski, Simo

Paper worker

Mr Mikko Nurmo, Valkeakoski

Midwife-nurse

Ms Päivi Karppi, Vaasa

Occupational health physician

Mr Petri Pekkola, Kotka

ECEC child carer

Ms Mari Lind, Orivesi

Finnish MP

Mr Henrik Wickström, Inkoo

Master of Theology, MEd

Ms Kirsi Ojansuu-Kaunisto

Local Government and County Employers KT

Mr Pekka Heikkinen

Local Government and County Employers KT

Department director

Mr Eino Leisimo

Local Government and County Employers KT

ECEC manager

Ms Marja-Leena Laine

Local Government and County Employers KT



**Councillors**

Negotiations manager  
Mr Tuomas Hyytinen  
Negotiation Organisation for Public Sector  
Professionals JUKO

Negotiations manager  
Mr Petri Lindroos  
Negotiation Organisation for Public Sector  
Professionals JUKO

Chair  
Ms Jonna Voima  
Public Sector Union JAU

Management adviser  
Mr Keijo Karhumaa  
Public Sector Union JAU

Chair  
Ms Silja Paavola  
Sote ry

Chair  
Ms Millariikka Rytkönen  
Sote ry

**Deputy Councillors**

Chairperson  
Ms Tiina Mäenpää, until 21 August 2023  
Negotiation Organisation for Public Sector  
Professionals JUKO  
from 21 August 2023, chairperson Ms Kirsi Grym

Labour market lawyer  
Ms Anna Zibellini  
Negotiation Organisation for Public Sector  
Professionals JUKO

Collective bargaining director  
Ms Marja Lounasmaa, until 9 March 2023  
Public Sector Union JAU  
from 9 March 2023, collective bargaining director  
Mr Jukka Maarianvaara

Bargaining officer  
Ms Minna Pirttijärvi  
Public Sector Union JAU

Deputy chair  
Ms Jaana Dalén  
Sote ry

1st deputy chair  
Ms Anna-Leena Brax  
Sote ry

## Keva's Board of Directors 9 September 2021 – 5 October 2023

### Ordinary members

Chair

Finnish MP

Mr Petteri Orpo, Turku

Deputy chair

Communications and HR manager, MSc

Ms Diana Bergroth-Lampinen, Pori

Finnish MP, PhD

Ms Outi Alanko-Kahiluoto, Helsinki

Financial manager

Ms Anne Holmlund, Ulvila

Director General

Mr Markku Jalonen, Helsinki

HR Director

Ms Kirsi-Marja Lievonen, Helsinki

Finnish MP

Mr Markus Lohi, Rovaniemi

Chair

Ms Katarina Murto, Helsinki

Chair

Ms Päivi Niemi-Laine, Helsinki

Labourer

Ms Matti Putkonen, Perttula

Director, Labour Market and Regulation

Ms Anne Sainila-Vaarno, Helsinki

### Personal deputies

Entrepreneur

Mr Samu Vahteristo, Rauma

Programme director

Mr Harri Jokiranta, Seinäjoki

Lead specialist, VTT

Mr Timo Aro, Pori

TV producer, director

Ms Milla Bruneau, Lahti

Research director

Mr Mika Juutinen, Helsinki

Administrative director

Mr Petra Määttänen, Turku

Head of social work with substance abusers

Ms Kirsi Torikka, Savonlinna

Director

Mr Heikki Pärnänen, Helsinki

Bargaining director

Mr Kristian Karrasch, Helsinki

LLM

Ms Piritta Poikonen, Koivjärvi

Executive director

Ms Else-Mai Kirvesniemi, Helsinki

## Keva's Board of Directors 5 October 2023 – 31 August 2025

### Ordinary members

Chair

Finnish MP

Mr Heikki Autto, Rovaniemi

Deputy chair

Communications and HR manager, MSc

Ms Diana Bergroth-Lampinen, Pori

CEO

Mr Toni Eklund, Turku

Financial manager

Ms Anne Holmlund, Ulvila

Managing Director

Mr Markku Jalonen, Helsinki

HR Director

Ms Kirsi-Marja Lievonen, Helsinki

Finnish MP

Mr Markus Lohi, Rovaniemi

Chair

Ms Katarina Murto, Helsinki

Chair

Ms Päivi Niemi-Laine, Helsinki

Labourer

Mr Matti Putkonen, Perttula

Director, Labour Market and Regulation

Ms Anne Sainila-Vaarno, Helsinki

### Personal deputies

Entrepreneur

Mr Samu Vahteristo, Rauma

Programme director

Mr Harri Jokiranta, Seinäjoki

Executive director

Ms Tiina Kaartinen, Kuopio

TV producer, director

Ms Milla Bruneau, Lahti

Research director

Mr Mika Juutinen, Helsinki

Municipal manager

Ms Outi Mäkelä, Nurmijärvi

Head of social work with substance abusers

Ms Kirsi Torikka, Savonlinna

Executive director

Mr Janne Aaltonen, Helsinki

Bargaining director

Mr Kristian Karrasch, Helsinki

LLM

Ms Piritta Poikonen, Koivjärvi

Executive director

Ms Else-Mai Kirvesniemi, Helsinki

## Working Life Development Working Group at 31 December 2023

Mr Keijo Karhumaa, Executive Adviser, Public Sector Union (JAU)

Mr Jonas Fyrqvist, Labour Market Specialist, Public Sector Union (JAU)

Mr Jussi Rantanen, Negotiating Specialist, Sote ry

Ms Anne Sainila-Vaarno, Collective Bargaining Director, Sote ry

Ms Sari Melkko, Special Adviser, Negotiation Organisation for Public Sector Professionals (Juko)

Mr Konstantin Laakkonen, Manager, Employment Relationships, Negotiation Organisation for Public Sector Professionals (Juko)

Mr Kari Eskola, Labour Market Lawyer, Negotiation Organisation for Public Sector Professionals (Juko) (State and Church sector)

Ms Sinikka Valtonen, HR Director, Local Government and County Employers KT

Ms Minna Salli, Specialist, Working Life Development, Local Government and County Employers KT

Ms Ulla Westermarck, Chief Negotiator, Commission for Church Employers

Ms Päivi Lanttola, Ministerial Adviser, Ministry of Finance/Office for the Government as an Employer

Ms Arja Aroheinä (chairperson), Director, Human Resources, City of Jyväskylä

Ms Mari Antikainen, Director of Human Resources, Wellbeing services country of North Savo

Mr Tapani Hellstén, Deputy CEO, Keva

Mr Mikko Kenni, Director, Employer Services and Work Ability, Keva  
(also acts as secretary to the working group)

Ms Merja Paananen, Pensions Director, Keva

Ms Tuula Metsä, Director of Medical Affairs, Keva

## Organisation at 31 December 2023

### Enabling operations

CEO Mr Jaakko Kiander

Compliance, Risk Management and Administration Unit  
Administrative Director Mr Markus Mankin

Internal Audit  
Head of Internal Audit Ms Päivi Alanko

Communications, Stakeholder Cooperation and Responsibility Unit  
Communications Director Ms Reija Hyvärinen

### Pensions and ICT

Deputy CEO  
Mr Kimmo Mikander

Customer Service Unit  
Customer Service Director Ms Taina Uronen

Pensions Service Unit  
Pensions Director Ms Eija Korhonen

Payment Service Unit  
Pensions Director Ms Saila Lassila, until 27 November 2023  
IATOD Director of Legal Affairs Mr Jussi-Pekka Rantanen, from 28 November 2023

ICT Service Unit  
IT Director Mr Tommi Heinonen

Legal Services Unit  
Director of Legal Affairs Mr Jussi-Pekka Rantanen

### Employer and Work Ability

Deputy CEO Mr Tapani Hellstén

Digitality and Service Development Team  
Development Director Mr Jarno Mäkinen

Research Team  
Research Director Ms Laura Pekkarinen

Employer CRM and Work Ability Unit  
Director, Employer Services and Work Ability, Mr Mikko Kenni

Work Ability Solutions Unit  
Pensions Director Ms Merja Paananen

Insurance Medicines Unit  
Director of Medical Affairs Ms Tuula Metsä

Register and Pensions Payment Unit  
Register and Pensions Payment Manager Ms Katri Tolonen

### Investment Operations

Chief Investment Officer  
Mr Ari Huotari

Equity Investments Unit  
Head of Unit Mr Jussi Karhunen

Internal Equity Investments Team  
Head of Team Mr Mikko Koskela

External Equity Investments Team  
Head of Team Ms Silja Varmola

Internal Fixed Income Investments, Forex and Derivatives Unit  
Head of Unit Mr Fredrik Forssell

External Fixed Income Investments Unit  
Head of Unit Ms Erika Tikka

Alternative Investments Unit  
Head of Unit Mr Markus Pauli

Real Estate Investments Unit  
Head of Unit Mr Carl-Henrik Roselius

Investment Administration and Loans Unit  
Chief Investment Office Mr Ari Huotari IATOD

Loans Team  
Head of Team/Attorney Osku Eskelinen

Chief Operating Officer's remit  
CIO's Deputy  
Chief Operating Officer, Investments  
Ms Maaria Eriksson

Investment Strategy Unit  
Head of Unit Mr Tommi Moilanen

Responsible Investment Research and Coordination Team  
Head of Team Ms Kirsi Keskitalo

Investment Reporting and Risk Management Unit  
Head of Unit Ms Maija Sarlomo

Securities Administration Unit  
Head of Unit Ms Johanna Haukkovaara

### **Financial and Operations Planning**

Chief Financial Officer  
Mr Tom Kåla, until 30 November 2023  
IATOD CEO Mr Jaakko Kiander,  
1–31 December 2023

Financial Planning Unit  
Chief Actuary Ms Piia Laaksonen

Financial Unit  
Financial Manager Mr Olli Pasanen

HR Unit  
HR Director Mr Mika Gylén

Register and Pensions Payment Unit  
Register and Pensions Payment Manager  
Ms Katri Tolonen

Internal Services Unit  
Work Environment Manager Ms Kristina Vuorela

# PUBLIC SECTOR PENSIONS



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