

**Documentation of statistics for  
Old Age Pension and Disability Pension 2021**

## 1 Introduction

The purpose of the statistic Old age and disability pension is to measure the number of recipients of old age pension or disability pension and the average benefit. The statistic includes recipients living abroad. The statistic is consistent from 2009 and onwards. However from 2021 it is available for all months.

## 2 Statistical presentation

The statistic annually describes the number of recipients of old age pension, senior pension or disability pension, recipients share of the identical population group as well as the average benefit. Old age pension and disability pension are shown separately and are broken down into sex, age, type of benefits, family type and geography.

### 2.1 Data description

The statistic shows the number of recipients of old age pension or disability pension, the recipients share of the identical population group and the average benefit. Data is published for all 12 months. The statistic is shown separately for old age pension and disability pension.

The total number of recipients, the number of new recipients and the recipients share of the identical population comprise recipients resident in Denmark as well as abroad, while the average benefit is shown for residents in Denmark.

From 2004 to 2007 the retirement age was lowered from 67 years to 65 years. From 2019 to 2022 the retirement age is gradually raised from 65 years to 67 years. The retirement age affects the number of old age and the disability pensioners. Gradually, fewer disability pensioners will be on the old scheme after 2003 due to the new scheme that was introduced January 2003.

### 2.2 Classification system

The total number of recipients and the share of the identical population are broken down into sex, age, type of benefits, family type and geography. The number of new recipients is broken down into sex, age, type of benefits and geography. The average benefit is broken down into sex, age, type of benefits and family type. Age is divided into approximate 5-years categories. For old age pension the age categories start at 65 years and for disability pension the different categories comprise the age of 18-69 years. The type of benefits for old age pension is broken down according to the pension supplement they receive in addition the basic amount. For disability pension it is divided into high rate, medium rate and standard/increased rate granted before 2003 (old scheme) and for disability pension granted after 2003 (new scheme). For both types of pension the fractional pension has a separate category and is not part of the categories described above.

Family type is divided into Families, Single persons and Couples.

Geography refers to provinces, municipalities and, if relevant, residence abroad.

### 2.3 Sector coverage

Not relevant for these statistics.

## **2.4 Statistical concepts and definitions**

**Old age pension:** Benefit for persons who have reached the age of old age pension and have actively applied for old age pension. It is possible to postpone the old age pension. New old age pensioners may therefore be older than the age of old age pension. The retirement age has changed several times over the years.

Old age pension consists of a basic amount and a supplement that is adjusted annually. Both the basic amount and the supplement may be reduced or completely waived, depending on any personal income in addition to the national pension.

**Disability pension:** Benefit that can be granted to people aged 40 to the age of old age pension and whose ability to work is permanently reduced to an extent that they are otherwise unable to support themselves. Persons aged 18-39 can be granted disability pension if it is documented or it is obvious that due to special circumstances, the work ability cannot be improved by participating in relevant courses or measures.

The rules for disability pension have changed several times over the years. This means that recipients of disability pension are on different schemes, depending on the time of grant of disability pension.

**Fractional pension:** Reduced pension that can be given to pension recipients who have not lived in Denmark long enough to receive full pension. Fractional pension is calculated as a fraction of the full pension.

Old age pensioners must, as a general rule, have resided in Denmark for at least 40 years from the age of 15 to 65 to be entitled to full pension and at least 3 years to receive pension at all. The fraction is calculated as the number of years of residence in Denmark divided by 40 years.

For early disability pensioners, the actual residence time in Denmark at the time of granting pension must have been at least  $\frac{4}{5}$  of the person's age at the time of grant deducted by 15. The fraction is calculated as the residence time in Denmark divided by  $\frac{4}{5}$  of the time the person has lived since the 15th year.

## **2.5 Statistical unit**

The units of the statistics are recipients of old age pension, senior pension or disability pension.

## **2.6 Statistical population**

Recipients of old-age pension or disability pension, including recipients living abroad.

## **2.7 Reference area**

Denmark and recipients living abroad.

## **2.8 Time coverage**

The statistics cover the time period from 2009.

## **2.9 Base period**

Not relevant for these statistics.

## **2.10 Unit of measure**

The measurement units are: - All recipients and new recipients: number of persons - Recipients share of the identical population: per thousand - Total expenses: mill. DKK - Average benefit: DKK

The amounts are in current prices and they are pre-tax payments.

## **2.11 Reference period**

2021.

## **2.12 Frequency of dissemination**

The statistics are published annually.

## **2.13 Legal acts and other agreements**

Section 6 of the Act on Statistics Denmark, cf Act no. 599 of 22 June 2000.

The statistics are used as input for the production of Eurostats "Statistics on Income and Living Conditions" (Regulation (EC) No 1177/2003).

## **2.14 Cost and burden**

There is no response burden as the data are collected via administrative registers.

## **2.15 Comment**

For further information contact Statistics Denmark or see the statistics [web-page](#).

## **3 Statistical processing**

The statistics are based on complete administrative registers. Data are checked for consistency and at aggregate level compared to data from previous years. No corrections of data have been necessary in recent years

### **3.1 Source data**

The source is Udbetaling Danmark social pensions register (UDKPE).

### **3.2 Frequency of data collection**

Monthly.

### **3.3 Data collection**

Data are transferred electronically from administrative registers on a secure platform via automated systems.

### **3.4 Data validation**

The collected individual level data are examined for inconsistencies between the type of pension and background information such as age and that the amount paid is consistent with the amount defined by legislation. At an aggregate level, data are checked against data from previous years taking into account changes in legislation of old age and disability pension.

### **3.5 Data compilation**

The validated data are aggregated prior to publication.

### **3.6 Adjustment**

There is no adjustments of data.

## **4 Relevance**

The main users are municipalities, ministries and organisations such as Ældre Sagen and ATP. The statistic contains information on the financial living condition of pensioners. Also, data provide the opportunity to estimate the financial effect of changes in legislation.

### **4.1 User Needs**

The statistics are used for the Law Model, by the Ministry of Finance, the Ministry of Social Affairs and Integration and the Ministry of Employment to assess the law on social pensions. The municipalities, the National Association of Local Authorities and the Ministry of Finance use the statistics for budgeting and municipal equalization. In addition, the statistics are used by Daneage (Ældre Sagen) and other interest organisations, Statistics Denmark for coordination with other statistical areas, the press and other researchers.

### **4.2 User Satisfaction**

An annual user committee meeting is held, which also covers these statistics. No systematic feedback from users has been collected, but the regular telephone contact to interested parties is friendly and positive.

### **4.3 Data completeness rate**

All data is published. There is no EU requirements.

## **5 Accuracy and reliability**

All recipients of old-age pension and disability pension under the legislation covered, both residents in Denmark and abroad based on Udbetaling Danmarks register. There may be errors and duplicates in the registry that are removed, but it affects less than 0.01 per cent. of the persons to whom money is paid.

### **5.1 Overall accuracy**

The data source for these statistics is an administrative register with full coverage of old-age pension and disability pension. There may be errors in Udbetaling Danmark's register, which is not detected by Statistics Denmark. In those cases, the error is included in the statistics as well as in the payout itself. It is estimated that the total error is small (for less than 0.01 per cent of the population).

### **5.2 Sampling error**

The sampling error is zero.

### **5.3 Non-sampling error**

The statistics are based on data from an administrative register provided by Udbetaling Danmark. There is a risk of under-coverage, but the number and distribution of pensioners is on par with previous years. After error detection, less than 0.01 per cent is excluded. of data. In January 2021 the total amount is calculated from the other amounts according to the same method for which the variables were generated by KMD previously.

### **5.4 Quality management**

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

### **5.5 Quality assurance**

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

## 5.6 Quality assessment

### *Coverage*

All recipients of old-age pension and disability pension under the legislation covered, both residents in Denmark and abroad.

### *Quality of variables*

The data stems from administrative registers with full population coverage. Apart from a very minor risk of erroneous entries in the register, there is no statistical uncertainty.

The overall accuracy is very good as the data source is an administrative (payment) record with full coverage. The material is tested mechanically. Individual errors are corrected manually. If there are systematic errors a new data extraction is ordered from the data provider.

There is no imputation or calculation of the register data. It is estimated that the overall risk of errors is negligible.

## 5.7 Data revision - policy

Statistics Denmark revises published figures in accordance with the [Revision Policy for Statistics Denmark](#). The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

## 5.8 Data revision practice

Only final figures are published.

## 6 Timeliness and punctuality

2021 statistics are published in April of 2022. Henceforth the aim is to publish in March. The statistics have always been published as planned.

### 6.1 Timeliness and time lag - final results

Only final figures are published. The statistics are normally published in April the same year

### 6.2 Punctuality

The statistics are usually published without delay in relation to the scheduled date.

## 7 Comparability

Changes in legislation including changes in the retirement age from 2004 to 2007 and again from 2019 to 2022 affect the number of pensioners. From 1993 to 1994 the old age pension became taxable and increased significantly. A high degree of consistency with similar figures based on the income register or similar statistics in other Nordic countries is expected.

## 7.1 Comparability - geographical

Under the Nordic Social-Statistical Committee (NOSOSKO) statistics on comparison across the Nordic countries including statistics on old age and disability pensioners is published in the publication [Social Protection in the Nordic Countries](#)

## 7.2 Comparability over time

The statistics are affected by changes in legislation and administrative restructuring.

For 2021 data is published for all months instead of only January. From 2021 senior pension has been granted its own category and is no longer part of disability pensions. This lowers the number of disability pensioners by about 8,000 persons.

From 2004 to 2007 the retirement age was lowered from 67 to 65 years whereas the retirement age from 2019 to 2022 will be increased from 65 to 67 years. The retirement age affects the number of recipients of old age pension and disability pension.

From 2013 the disability pension was reformed implying that disability pension is not to be awarded to people aged less than 40 years. They are assigned to at least one interdisciplinary rehabilitation programme except in cases where it is obvious that the work ability cannot be improved. People aged above 40 years are to follow one interdisciplinary rehabilitation programme before disability pension can be awarded. A senior disability pension was introduced in 2014 for workers with physically demanding jobs and with less than 5 years to their retirement age. Both reforms affect the number of disability pensioners and the age distribution.

In 2003 a new disability pension scheme was introduced implying that the number of disability pensioners on the old scheme gradually diminishes with time.

In 1995 the figures include pensioners living abroad as a consequence of an administrative restructuring; thus, the figures are not comparable to previous years.

In 1994 the pensions become taxable and the figures are not comparable to previous years.

In 1984 the legislation was changed and consequently the figures are not comparable to previous years.



### 7.3 Coherence - cross domain

The number of pensioners can also be found in the statistic on Persons receiving public benefits and the statistic on Income. Statbank table AUK02: Persons receiving public benefits (full participants) by type, service type, age and gender, determine the number of persons with disability pension and with light duties. These two groups correspond to the number of people on disability pension (excluding persons receiving temporary supplement). The statistics for public benefits is published quarterly and covers the number of recipients during an entire quarter. The number of pensioners in the public benefits Statistics is thus slightly larger than the number of disability pensioners in this statistic that only cover January.

Statank tables INDKP104 (personal income statistics) and AINDK1 (A-income statistics) have the number of pensioners and disability pensioners. These two statistics include persons who have been in Denmark throughout the entire year. Thus for instance pensioners who died during the year is not included in these statistics. Thus the number of pensioners and total amounts paid out are therefore slightly smaller than in the pension statistics. Additionally, there may be minor monetary deviations due to, among other things, adjustments made after collection of data.

### 7.4 Coherence - internal

In the pension statistics, all pensioners are counted regardless of whether they live in Denmark or live abroad. This is different in the statistics on public welfare and income, where only the pensioners residing in Denmark are the target group for the statistics.

The pension statistics of income statistics are based on data from Tax. This statistic is based on a later data extraction. Subsequent adjustments made in the intervening period may give rise to minor differences in amounts.

## 8 Accessibility and clarity

These statistics are published annually in a Danish press release, at the same time as the tables are updated in the StatBank. In the StatBank, these statistics can be found under the subject [Recipients of old age and early retirement pension](#). These statistics also features in the [Statistical Yearbook](#). For further information, go to the [subject page](#).

### 8.1 Release calendar

The publication date appears in the release calendar. The date is confirmed in the weeks before.

### 8.2 Release calendar access

The Release Calendar can be accessed on our English website: [Release Calendar](#).

### 8.3 User access

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

#### **8.4 News release**

These statistics are published annually in a Danish press release.

#### **8.5 Publications**

These statistics feature in the [Statistical Yearbook](#).

#### **8.6 On-line database**

The statistics are published in the StatBank under the subjects in the following tables:

- [PEN113](#): Recipients of disability pension by region, type of benefits, age, sex, recipients and time
- [PEN114](#): Recipients of national old-age pension by region, type of benefits, age, sex, recipients and time
- [PEN123](#): Disability pensioners residing in Denmark by type of benefits, age, sex, family type, unit and time
- [PEN124](#): National old-age pensioners in Denmark by type of benefits, age, sex, family type, unit and time

#### **8.7 Micro-data access**

Researchers and other analysts from authorized research institutions, can be granted access to the underlying Micro-data by contacting [Research Services](#).

#### **8.8 Other**

These statistics anonymous Micro-data are available for service tasks at a cost. Read more about [Customized Solutions](#) or contact DST Consulting.

#### **8.9 Confidentiality - policy**

[Data Confidentiality Policy](#) at Statistics Denmark.

#### **8.10 Confidentiality - data treatment**

It is not possible to identify individuals in these statistics. Accordingly, no data are omitted.

#### **8.11 Documentation on methodology**

Not relevant for these statistics.

#### **8.12 Quality documentation**

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

## **9 Contact**

The administrative placement of this statistics is in the division of Labour and Income. The person responsible is Morten Steenbjerg Kristensen, tel. +45 3917 3267, e-mail: MRT@dst.dk.

### **9.1 Contact organisation**

Statistics Denmark

### **9.2 Contact organisation unit**

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