

## **Statement of the President of the Republic of Estonia**

Kadriorg, 27 April 2010

Today I signed into law an amendment to the State Pension Insurance Act. Passed by the Riigikogu on 7 April 2010, the amendment raises Estonia's retirement age to 65 years by the year 2026.

Since the final vote in the Riigikogu, parliamentary factions, local governments, non-profit organizations and fellow citizens have written to me asking me not to sign the legislation, as the Riigikogu Rules of Procedure Act and the Riigikogu Internal Rules Act were allegedly violated during the proceedings on the bill.

Although the additional sitting called during the bill's journey into legislation did not conform to the Riigikogu's best practices, legal analysis of the proceedings shows that neither the Constitution nor other legal acts were violated.

I would nevertheless draw the attention of the Riigikogu and its presiding members to the fact that Estonian political culture is shaped by every instance of this kind. The Board of the Riigikogu is directly responsible for the effectiveness and reputation of our parliament as well as for the legitimacy of the decisions it passes.

I appeal to the conscience of the Riigikogu's current and future members, the government and the responsible ministries, and remind them that a stable, functioning pension system is one of

the building blocks of trust and partnership between citizen and government. Indeed, no economic, demographic or political inevitability or allegedly urgent matter in this field can justify a dearth of substantial debate and explanation. Any decision that changes the essence of the pension system must be preceded by discussion that provides information to members of parliament and the public regarding all direct and indirect impacts of the decision.

Decisions that affect the well-being of today and tomorrow's pensioners must be treated with the utmost conscientiousness. We must refrain from promises that are populist, misleading to the public or disregard Estonia's actual needs.

In light of the demographic situation of Estonia and indeed all of the countries in the European Union, I believe an increase in Estonia's retirement age is inevitable. In this case, there is a sufficient time margin before the amendment ultimately enters into force. Yet we should realize that raising the pension age is only one part – technically, probably the easiest part – of the task before us. We must not deceive ourselves thinking that this specific decision will resolve all of tomorrow's problems. Self-deception will lead us in a few years' time to a situation where we will be forced to raise the pension age again, to 67, or even 70 years of age.

I call upon parliament and government to take all of the other necessary steps in the years ahead to ensure that people get the old-age pension they deserve, and that the economy and pension system remain stable for decades to come. To do this, Estonia's main task must be to increase healthy life expectancy – the number of years lived productively in full health. The state, local government and third sector must work together to create opportunities for the elderly to work in accordance with their abilities – for as long their health and spirit remain strong.

In the years ahead, Estonia must also adopt legislation and approve policies on lifelong learning, flexible working conditions for people 60 years and up, various insurance mechanisms that take into account specific types of jobs, immigration policy and health behaviour that considers the long-term interests of Estonian society and which has a direct impact on longevity, capacity for work and quality of life.

If we are able to accurately forecast our future needs and soberly and expertly find answers to questions, we will be successful in resolving problems related to the inevitable aging of the population.

## Statement regarding the State Pension Insurance Act

Tuesday, 27 April 2010 12:42

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Toomas Hendrik Ilves,  
President of the Republic of Estonia