I *don't* have a **Pension**

Make retirement planning a priority so you won't outlive your money...

For many people, retirement seems like a long way off so they tend to put it to the back of their minds.

You're probably not planning on reducing your standard of living when you retire, but have you thought about how you're going to pay for it when you're no longer working? Developments in relation to pensions in recent times make it clear that ***the responsibility for funding your retirement ultimately lies with you***.

The good news is that the Government has put a range of incentives in place giving you even more reasons to save into your pension plan.

Three reasons you need a pension

1

You may need an income for up to 30 years or more after you retire

People are living longer which means ***you may be retired for up to a third of your life***. That's why it's so important to have a savings plan that ensures that the money you earn during your working life lasts your whole life.

Your pension plan is one of the most important savings plans you will ever save into. It can provide you with an ongoing income to ensure you have the money you need to enjoy your retirement years.

2

Your income could drop by almost 70% in retirement

When you retire, you'll probably assume that you will have the same standard of living. However, unless you put a pension plan in place, your income could drop by almost 70% in retirement.

The State Pension (Contributory) is currently €12,911.60 a year (€248.30 a week), but the average wage is €40,039**. **You need to start saving for your retirement to help avoid a big drop in income, and the impact this would have on your lifestyle.**

** Source: CSO, Average earnings in Q1 2019, Earning and Labour Costs May 2019

3

If you qualify for the State Pension, you could be 68 before you receive it

The age of eligibility for the State Pension (Contributory) has changed and no longer starts at age 65.

If you were born on or after 1 January 1961 the minimum qualifying State Pension age will be 68. ***That's potentially a three year gap in retirement income***.

€38,734

Estimated shortfall in retirement income over three years due to the change in the minimum qualifying age for the State Pension (Contributory).

I don't have a pension

How do I work out how much I should be saving?

As a general rule of thumb **you should be aiming for an income of between 50% and 66% of your final salary**. However, everyone's situation is different and it really depends on the type of lifestyle that you want for yourself in retirement, as well as on your own specific circumstances.

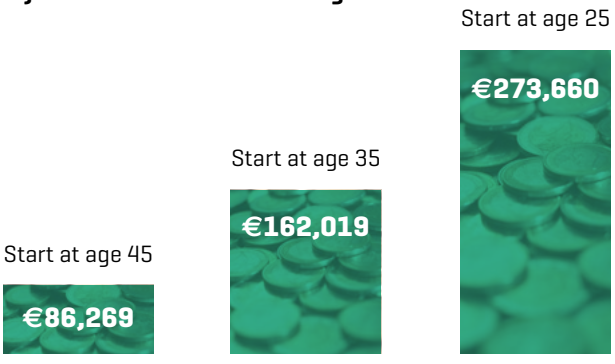
A Financial Broker can meet with you to discuss your retirement needs and help you put a plan in place designed to achieve your financial goals based on:

- your current age
- when you would like to retire
- the kind of lifestyle you'd like
- what you can afford to save
- your attitude to risk

When should I take out a pension?

It is important to start planning for tomorrow, today. **The sooner you start your pension, the longer it has to potentially grow** which could make a big difference to the size of your savings at retirement.

Projected retirement fund at age 65†



Am I too old to start a pension?

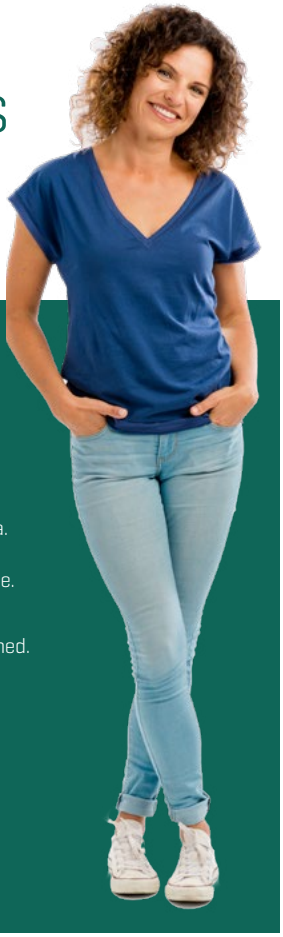
It's never too late to start saving for your future. The amount of income that you can save into your pension and claim tax relief on actually increases as you get older. Depending on your age, you can save up to 40% of your income into your pension and claim back tax relief at your marginal rate. **So even if you're starting your pension late, there's still time to catch up**.

I'm not sure if I can commit to long term savings?

A pension plan is very flexible. You can usually stop and start when you need to, and increase or decrease your contributions at any time.

It is better to start saving into your pension plan now, even if you put in less than you'd like to. **Remember you can usually change how much you save to suit your changing circumstances**.

For as little as €5 a day...



If you are aged 25 contributing until you are 65, you could have a retirement fund of **€244,075** for your retirement.

These figures are for illustration purposes only and based on an assumed growth rate of 5% p.a. premium increases at 2.5% p.a., a 5% premium charge and 1% annual fund management charge.

The value of the fund can fall as well as rise and growth rates may be lower or higher than assumed.

†These figures are based on level monthly contributions of €250 . They are for illustration purposes only and are based on an assumed growth rate of 5% p.a., a 5% premium charge and 1% annual fund management charge. The value of the fund can fall as well as rise and growth rates may be lower or higher than assumed.

Warning: These figures are estimates only. They are not a reliable guide to the future value of your investment.
Warning: The value of your investment may go down as well as up.
Warning: If you invest in this product you may lose some or all of the money you invest.
Warning: If you invest in this product you will not have any access to your money until you retire.

Terms and conditions apply. The information set out is intended to be a guide only and should not be relied on without seeking professional advice. The information is based on our understanding of current legislation and Revenue practice as at September 2019 and may change. It is important to note that tax relief is not automatically granted. Revenue terms and conditions apply.

303761 V3.09.19