

Saving for Retirement

...it's your future



**How much
should I save?**

The cost of delay...

**Making sure
you're on track**

**Tips for
success**

3 THINGS EVERYONE SHOULD KNOW ABOUT PENSIONS

1. Pension Investment Fund

Is your pension making YOU money?

Do you know how your pension is being invested? Have you discussed your pension fund performance recently? You should have this discussion as soon as possible to see if your fund(s) is meeting your expectations.

2. Tax Relief

Make the most of generous tax-relief . . . while it's available.

The tax relief you can claim from your pension contribution is likely to be reduced. We have already seen this year how PRSI and Health Levy reliefs are no longer available on ordinary pension contributions.

3. State Pension

The Age at which you may qualify for the State Pension has increased!

The age at which you qualify for the State Pension has increased to age 68 for all those currently in their 40s. So if you still want to retire at 65, you could have a gap of 3 years where you need to have an alternative income. Of course, this gap will be even more significant if you decide to take early retirement. That means you'll have to live off your personal savings, if any, before your State Pension becomes available - if you qualify for it e.g. have paid the required level of PRSI contributions.

TELL ME MORE . . .

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A Did You Know?

88% of workers without a pension believe that obtaining professional advice when starting a pension is important.

Have you thought about your retirement savings yet this year? If not, now is the time to talk to a financial adviser to get the best advice possible.

New Ireland Pension Research

Save for tomorrow or live for today?

Most of us will live a long healthy life in retirement. We hope to have plenty of time to do the things we have always dreamed of doing.

The only barrier stopping us from our plans however, is that aside from the State Pension of €230* per week, we might not have a regular income that we can rely on, unless of course we've got a decent savings fund in place. Put another way, some of the money we earn now needs to be set aside to provide for our needs when we stop working.

We all have choices, save for tomorrow or live for today?

If you want to look forward to a comfortable lifestyle in retirement, perhaps not all of this month's income is for today. A little should be put aside for tomorrow.

* State Pension as at September 2011

Retirement planning is all about deciding how much of today's income you want to allocate to your life after you stop working

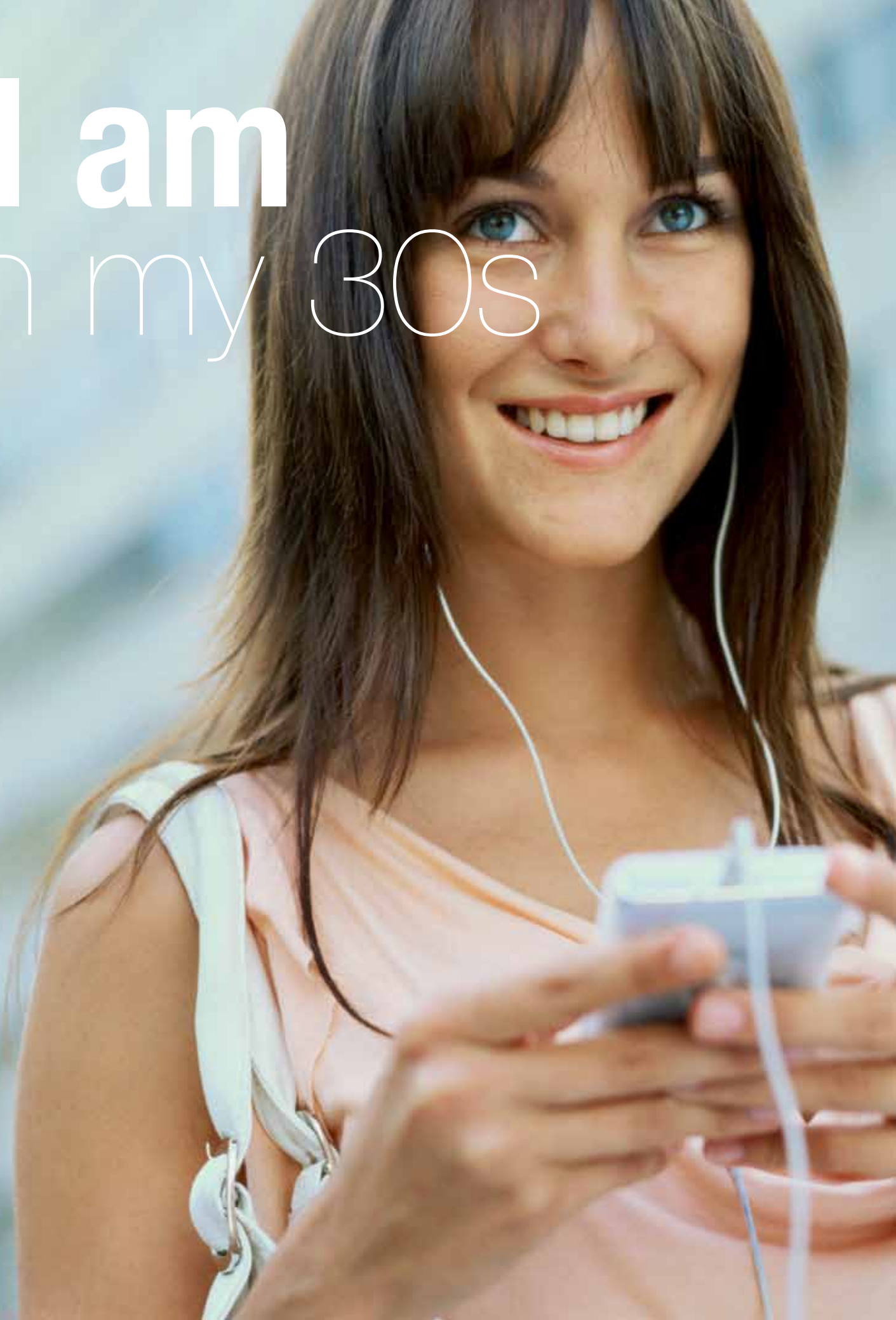
The good news is that you have a choice to do something now, in order to give yourself even more choices later on – and we're here to help.

Everyday we meet customers from all walks of life, who for whatever reason start their retirement savings later than they perhaps should have. In fact, many of our customers tell us that they didn't appreciate how they had actually been spending some of what really belonged to their life in retirement, that is until they sat down to think about it.

Take the next step and talk to a financial adviser to get the best advice possible for your situation.



I am
in my 30s



Time to take control . . .

Most of us spend little or no time thinking about our retirement when we are younger, but that's the very time to take action. Ask yourself, how long do you want to work for? The earlier you start, the more choices you have. Right now, you are in a unique position to choose to retire early, at say age 55 or 60. This is because you have time on your side, time to take action and plan ahead.

One more reason to start saving today

Currently one of the best things about saving for your retirement is the generous tax relief available, up to 41%* for a higher rate tax payer. And the longer you save the more you will benefit from Government tax breaks. So start or top-up your retirement savings today.

Did You Know?

If you're in your 30s, you can save up to 20%* of your income into a pension and claim full tax relief!

* It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

Member of your Company Pension Plan? If not it's like saying "No" to a salary increase!

If your employer has established a company pension plan and you haven't joined it, you could be missing the opportunity to have 3 people (your employer, the Government and you) pay into a savings plan with only one beneficiary – you! So three into one does go!*

Ask your employer now about the pension benefits you're entitled to.

* Under an employer sponsored occupational pension arrangement, your employer has to contribute, you can contribute, as will the Government, with generous tax relief incentives. It is important to note that tax relief is not automatically granted, you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

Did You Know?

77% of workers are not aware of the Government proposal to reduce the tax relief of up to 41% currently available on retirement savings.

New Ireland Pension Research 2010.

TIP Saving even a little now may make a big difference later on.

A person aged 30 who saves €145 per month into a Retirement Savings Plan until age 65, could have a pension fund value of €150,000*.

If they delayed saving into their pension until age 45, they would have to save an estimated €392 per month into a Retirement Savings Plan until age 65 to potentially achieve the same pension fund value of €150,000* at age 65.

* Please note that these figures are intended for illustration purposes only. 419 regular contributions are paid and the investment term is 34.92 years. An investment growth rate of 6% per annum is assumed – this is not a forecast, as unit prices can fall as well as rise and could grow at a faster or slower rate than assumed. Contributions will remain level. This quotation assumes continuation of current expense charges, 5% premium charge and 1% annual management charge.

WARNING: THESE FIGURES ARE ESTIMATES ONLY. THEY ARE NOT A RELIABLE GUIDE TO THE FUTURE PERFORMANCE OF YOUR INVESTMENT.



TIP 2011 Provides A Last Chance For PRSI & Health Levy Relief . . .

This year is the last chance for employees who make additional voluntary contributions to their pension to claim tax relief and additional PRSI and Health Levy relief on their pension savings – a total of up to 49%*. So the actual cost of their pension savings is almost cut in half! Payments must be made before the self-assessment tax deadline of 31st October this year†.

* Assuming higher rate taxpayer 41%. It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

† Payments cannot be made through payroll deduction.

So how much should I save now for my retirement?

This depends on a number of factors, such as:

- Your age now
- When you'd like to retire
- What kind of lifestyle you'd like to have in retirement
- Any pension arrangements you already have in place (from previous or current employers)
- How much you can afford (bearing in mind that current tax relief can effectively cut the cost of your monthly savings by almost half)

A Did You Know?

Depending on your particular pension product you can usually start and stop pension contributions in line with your affordability. Don't be afraid to start a pension because it seems like a life long commitment. If your financial circumstances should subsequently change you can talk to your financial adviser about adjusting or suspending your pension contributions accordingly.

The Half-Your-Age rule

Generally, you should be saving about half of your current age as a percentage of your income. In other words, if you're 30 years old, you should be saving 15% of your annual income. For someone earning €40,000 that's about €500 a month but could actually only cost you €295 after tax relief*.

If this seems like a lot now, don't put it off until another day. You can start small and gradually increase your savings when you can afford to. Every little bit adds up, especially when you consider it has a good chance to grow, for 30 years or more.

* Assuming higher rate taxpayer 41%. It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

The State will provide an income for me . . .

But how do you know that for sure? It's likely that the Government will play some part in providing your income in retirement. However, it is very hard to predict what that will be. You now have the option to take control of how you will provide yourself with an income when you stop working.

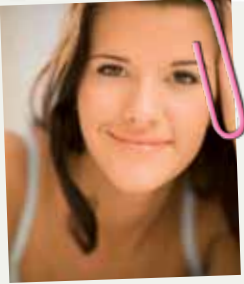
Now is the time for us all to consider, what personal provision we should make to secure a decent quality of life in retirement.

A Did You Know?

The State Pension payment is currently just €230¹ per week, and will only be payable from age 68 for those now in their 30's. It is currently estimated that there will be just 2 workers to support every pensioner in 2050, down from 6 workers today.²

¹ State Pension as at September 2011

² Central Statistics Office 2011



Case Study: Jill - early 30s

"I suppose as a self-employed interior designer, I've always been very conscious of money and where the next job was coming from. I was always more careful than my friends, most of whom took for granted their almost guaranteed monthly pay day."

"My work isn't what you'd call regular. I do some contract work, and then try to get referrals for additional work. It makes it hard to plan ahead, but I always wanted to be my own boss!"

"I was never confident that I was making the most of my money. I'd file my accounts each year with a bit of help from an accountant friend, but I always felt like I could be doing more with my money, I just didn't know what."

"A lady in my local brokerage recommended that I avail of their retirement planning service."

"Due to the nature of my business, I was always scared of starting a plan that I couldn't afford to keep going. But he just made it seem so easy, explaining that I could make payments whenever it suited, or vary my savings amount up or down depending on my circumstances."

"Since the meeting I am much more confident about my money situation. What's more I learned that putting some money into a pension really is the most tax efficient way to save for my retirement, particularly if you are self employed like me."

The Figures:

Jill is 32 now.

If she saved €200 a month into a standard Personal Retirement Savings Account (PRSA) from now until she retires at age 65, she could accumulate a fund of approximately €264,942*

If Jill could secure a single life annuity at 65 of 5%, this could mean an income of approximately €13,000 per annum.

If Jill also qualifies for the State Pension (€11,975.60 p.a. as at September 2011) at age 65, this, coupled with her pension savings above, could provide her with a decent income in retirement.

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* The estimated fund available at retirement is for illustrative purposes only. Based on 32 year old single female, higher rate tax payer, contributing €200 per month to a standard PRSA, with 3% indexation (in line with the Society of Actuaries guidance). This would require 391 regular contributions over an investment term of 32.58 years. State Pensions is quoted as at September 2011. The case studies are not real people and are for illustration purposes only.

A man with dark hair, wearing a white and grey striped shirt and a brown leather apron, is sitting in a wine cellar. He is holding a dark wine bottle in his hands and looking at it intently. The background is filled with wooden shelves containing numerous wine bottles of various shapes and colors. The lighting is warm and focused on the man.

I am
in my 40s

'Time to get serious with my pension'

Time flies when you're busy living your life to the full. And if you think the last 20 years have flown by, imagine how quickly the next 20 years will go!

At this stage, those who haven't begun putting away part of their income for retirement have some catching up to do. That requires thinking about how today's income is being allocated. The good news is help is at hand. There are lots of tax benefits when saving for your retirement.

If you've already started your pension, the chances are you haven't reviewed it recently. The likelihood is that your circumstances have changed since you first took it out, you may have a new job or you may now aspire to an earlier retirement age. So if you haven't already, now is the crucial time to take action and review your retirement plans.

One more reason to start saving today

Currently one of the best things about saving for your retirement is the generous tax relief available, up to 41% for a higher rate tax payer. However, as part of the National Recovery Plan, the Government intends to reduce the tax relief available from 41% to 20% on a phased basis over the next 3 years.

This gives you a window of opportunity this year to start or top-up your retirement savings in order to guarantee that you benefit from the maximum tax relief possible.

Did You Know?

If you're in your 40s, you can save up to 25% of your income into a pension and claim full tax relief!**

** It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

TIP Last chance for employees who make additional voluntary contributions to their pension to claim tax relief and additional PRSI and Health Levy relief on their pension savings – a total of up to 49%*. So the actual cost of their pension savings is cut in half! Payments must be made before the self-assessment tax deadline of 31st October this year.

* Assuming higher rate taxpayer 41%. Payments cannot be made through payroll deduction. Reliefs must be separately claimed from the Revenue. Revenue terms and conditions apply.

So how much should I save now for my retirement?

This depends on a number of factors, such as:

- Your age now
- When you'd like to retire
- What kind of lifestyle you'd like to have in retirement
- Any pension arrangements you already have in place (from previous or current employers)
- How much you can afford (bearing in mind that current tax relief can effectively cut the cost of your monthly savings by almost half)

Did You Know?

Depending on your particular pension product you can usually start and stop pension contributions in line with your affordability. Don't be afraid to start a pension because it seems like a life long commitment. If your financial circumstances should subsequently change you can talk to your financial adviser about adjusting or suspending your pension contributions accordingly.

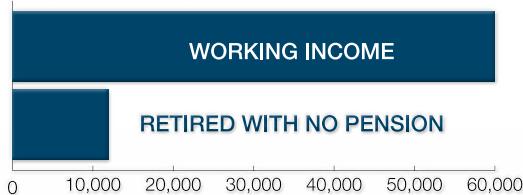
The half-your-age rule

Generally, you should be saving about half of your current age as a percentage of your income. In other words, if you're 40 years old, you should be saving 20% of your annual income. For someone earning €60,000 that's about €1,000 a month but could actually only cost you €590 after tax relief*.

You can start small and gradually increase your savings when you can afford to. Every little bit adds up, especially when you consider it has a good chance to grow, for 20 years or more.

* Assuming higher rate taxpayer 41%. It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

TIP Why take an 80% pay cut when you retire? Saving what you can afford to now will go a long way to a more enjoyable retirement.



Based on the difference between a salary of €60,00 and the State Pension (contributory) of approximately €11,975 per year (single rate) as at September 2011.

The State Pension Age is going up to 68 . . .

The age at which you qualify for the State Pension is set to increase to age 68 for all those currently in their 40s. So if you still want to retire at 65, you could have a gap of 3 years where you need to have an alternative income. Of course, this gap will be even more significant if you decide to take early retirement.

That means you'll have to live off your personal savings, if any, before your State Pension payment becomes available - if you qualify for it e.g. have paid the required level of PRSI contributions - one more reason to start or top-up your pension today. By putting plans in place now, you can bridge this financial gap. Have a chat with your financial adviser for an idea of how much you should save. Saving what you can afford now, will give you greater control over the age at which you decide to retire.

Did You Know?

While 71% of people are aware that the State Pension Age is set to increase to age 68, just 12% had sought advice in relation to bridging any financial gap that this may create.

New Ireland Research 2010.





Case Study: Mark - late 40s

"I've been in the same job for just over ten years now, and I started paying into the company pension plan this year. Up until recently, I never took much of an interest in my pension."

"It was only when a financial adviser came into work and gave a talk on the company pension plan that I began to think about my own plans more seriously."

"Since my monthly savings into the plan were fixed, and came out of my salary automatically every month, I hadn't paid too much attention as to what they really meant for me. It turned out, that at just 6% of my salary I could afford to save quite a bit more, and claim full tax relief on these savings bringing down the actual cost to me quite significantly."

"I met with the financial adviser privately after the talk in work because I had more questions, and also wanted to be sure I didn't overstretch myself with two young children at home and a still uncertain economic climate."

"I decided to top-up my retirement savings independent of the company plan as my final fund was not going to look very healthy if I kept going the way I was. This year, I'm going to put in a lump sum and avail of the last opportunity to claim the full 49% relief** on my pension savings. I'll then make smaller regular saving contributions to bring my final savings fund closer to meeting the sort of lifestyle I'd like to have in retirement. I now feel confident that I'm on the right road to my retirement."

The Figures:

If Mark earned an annual salary of €75,000, this would mean contributing €4,500 per annum (or €375 per month) into an Additional Voluntary Contribution PRSA (AVC PRSA).

This is in addition to any personal contributions Mark was already making to the company pension plan.

If Mark also decided to pay a one off single premium of €4,500 to use against his 2010 unused tax relief, coupled with the contributions above, he could accumulate an additional pension fund of approximately €164,120*.

If we assume a single life annuity rate of 5% at age 65, Mark could potentially have an extra income of approximately €8,000 in retirement to supplement the benefits provided by the company pension plan and the State Pension, should he qualify e.g. have paid the required level of PRSI contributions.

Mark could also take some of this fund as a retirement lump sum depending on the benefits provided under the company pensions plan at retirement.

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* The estimated fund available at retirement is for illustrative purposes only. Based on 47 year old single male, contributing €375 per month to a 0% Level PRSA, with 3% indexation (in line with the Society of Actuaries guidance). This would require 216 regular contributions over an investment term of 18 years. Also included is a one off single premium contribution of €4,500. State Pensions is quoted as at September 2011.

** This year is the last chance for employees who make additional voluntary contributions to their pension to claim tax relief and additional PRSI and Health Levy relief on their pension savings – a total of up to 49%. Payments must be made before the self-assessment tax deadline of 31st October this year¹. Assuming higher rate taxpayer 41%. It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

[†] Payments cannot be made through payroll deduction.

The case studies are not real people and are for illustration purposes only.

A woman with short, wavy, light-colored hair is sitting on a blue sofa with pink cushions. She is wearing a white long-sleeved top and is smiling warmly at the camera. She is holding a white teacup and saucer with a spoon in her right hand. The background is a bright, blurred indoor setting with a window and a vase of flowers.

I am
in my 50s

You've worked hard, so reap the benefits now

You have worked hard over the years, and now you may be thinking about the biggest holiday of your life – your retirement. Your financial priority now should be to maximise the tax benefits you can claim from your earnings, for the rest of your working life.

Did You Know?

If you're aged 50-54, you can save 30%* of your income into a pension and claim full tax relief! If you're aged 55-59, this tax free savings allowance will increase to 35%*!

* It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

The good news is, under current legislation, there are plenty of tax incentives to maximise your fund(s) for retirement. But hurry, not all of these benefits are set to last! Now is the time to make sure your financial plans are in line with your plans for the future, there is still time to set yourself up for a comfortable lifestyle in retirement.

Did You Know?

51% of workers worry about their retirement with 8 in 10 expressing concern that they wouldn't have sufficient savings or income to live on.

New Ireland Pension Research

TIP Last Chance For PRSI & Health Levy Relief ...

This year is the last chance for employees who make additional voluntary contributions to their pension to claim tax relief and additional PRSI and Health Levy relief on their pension savings – a total of up to 49%** . So the actual cost of their pension savings is cut in half! Payments must be made before the self-assessment tax deadline of 31st October this year†

** Assuming higher rate taxpayer 41%. It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

† Payments cannot be made through payroll deduction.

One more reason to start saving today

Currently one of the best things about saving for your retirement is the generous tax relief available, up to 41% for a higher rate tax payer. However, as part of the National Recovery Plan, the Government intends to reduce the tax relief available from 41% to 20% on a phased basis over the next three years. This gives you a window of opportunity this year to start or top-up your retirement savings in order to guarantee that you benefit from the maximum tax relief possible.



The State Pension Age is going up . . .

The age at which we qualify for the State Pension is set to increase for all those currently in their 50s. If you are 50 today and planned to retire at age 65 then you may be surprised to hear that the Government has proposed to increase the State Pension payment date to age 66 from 2014 and to age 67 from 2021.

However if you plan on retiring early at say age 60, you could have a gap of 6 or 7 years where you need to have an alternative income. So, you'll have to live off your personal savings, if any, before your State Pension payment kicks in.

The good news is that by putting plans in place now, you can bridge this financial gap. So, have a chat with a financial adviser. Saving what you can afford now, will give you greater control over the age at which you decide to retire.

A Did You Know?

90% of workers wish to retire before age 68 however 6 in 10 realise that they will have to start or top-up their pension savings now in order to achieve this goal of early retirement.

New Ireland Pension Research





Case Study: Jacqueline – mid 50s

“I’d love to retire early now that the mortgage is paid off and my son is finished college next year. If only I’d started my pension earlier.”

“I knew the only possibility I had of achieving my dreams was to get professional advice and quick! I was very surprised to learn that tax breaks available from the Government got better, the closer you were to retirement. My pension adviser in my local brokerage was very helpful and seemed to know every option available to me, even those that had just come into law.”

“I own a catering company and up until now I’ve concentrated solely on ploughing the profits of the business back into the company in order to grow it further. I’d always planned on selling the business when I retired, but now it looks like my son will take over the reins of the company and I would like to pass it on to him.”

“The pension adviser took me through a tailored plan that would help me retire before age 65 and pass on the business to my son. With careful planning and adjustments to the way I take an income from the company, I can make substantial inroads into building up a decent pension fund over the next few years.”

“My step by step financial plan gives me great confidence that I will be able to realise my dreams. I’ll definitely be scheduling regular meetings with my adviser so that I can be sure I stay on track, without having to sell the business.”

The Figures:

If Jacqueline made a one off single premium payment of €50,000 into an executive pension this year, and her company began to make €3,000 monthly contributions over the next 9 years she would have the potential of accumulating a fund of approximately €500,000* at retirement, aged 63.

This would allow her to pass on the business to her son as she would like to do and have a pension of approximately €25,000 per annum in retirement, assuming an annuity rate of 5%.

* The estimated fund available at retirement is for illustrative purposes only. Based on 55 year old single female, higher rate tax payer, contributing €3,000 per month to an executive pension through her company. This includes 3% indexation (in line with the Society of Actuaries guidance). This would require 107 regular contributions over an investment term of 9 years. Also included is a one off single premium contribution of €50,000.

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I am approaching retirement

Retirement is a new and potentially long chapter of your life. Why not take the time to figure out how you want to live it?

Just as your life has likely been nothing like your parents', your retirement won't be either.

It's no longer as simple as collecting your pension, and settling back. You will probably be more active, live and work longer, and need to rely on what you've saved for income. And that means ensuring that this income has the potential to last as long as you do, and weather both inflation and market ups and downs.

Now is the time to meet with a financial adviser to discuss which options may be best suited to your personal situation and decide on any action required to maximise your benefits at retirement.

Increasing State Retirement Age

The age at which we qualify for the State Pension is set to increase to age 66 from 2014. So if you are planning to retire in 3 years, it's worth considering that you may not be eligible to receive the State Pension until you are age 66.

It is a general rule that you should have an income in retirement of roughly 2/3rds of your final salary from your employment. This may or may not include the State pension. If you plan to retire at age 65, will you have an adequate income or savings to meet your needs for the year(s) until you qualify for the State Pension?



Did You Know?

If you're aged 60 or over, you can save 40%* of your income into a pension and claim full tax relief!

* It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply.

TIP Now is a good time to review the pension fund you're invested in and make sure it's well matched with how you plan on taking your pension money at retirement.

New options at retirement . . .

If you are an employee and a member of your employer's Defined Contribution pension scheme, you now have the new option of investing your pension pot in an Approved Retirement Fund (ARF) at retirement, subject to certain conditions regarding other income in retirement. This is an investment fund for pension monies following retirement that allows you to take a pension withdrawal whenever you want, until the fund runs out. You can decide to take lump sums or a regular income.

The new ARF retirement option for employees offers choice, flexibility and independence:

- Greater flexibility and control over your retirement fund.
- Invest in a range of different investment funds – tax-free.
- Manage and control withdrawals from your retirement fund.**
- It can be passed to your dependants when you die.

** For tax purposes an actual or imputed withdrawal must be made each year from your ARF. This figure is 5% of the value of your ARF as at 31st of December each year. Any actual withdrawals made during the year will be taken into account when calculating the 5% figure.

If you have less than 10 years to retirement you should review your fund choice now if you are considering taking the ARF route at retirement.

The alternative retirement option to an ARF is to purchase a Pension, also called an Annuity. This option gives you a guaranteed fixed annual income for every year of your retirement until you die. When you purchase a Pension, the level of your annual retirement income is determined by the amount of your final pension fund on the day you retire and interest rates at that time.



Company directors can make up for lost ground

Currently a director with no pension provision in place can start funding late for their retirement, by making a company contribution of up to a multiple of just over 4 times their salary (depending on their age) in order to provide the maximum retirement benefits allowed by Revenue at Normal Retirement Age (currently 65).

Company directors approaching retirement should consider maximising their company contributions to their pension plan now and avail of this opportunity to save at a late stage for their retirement. Unlike salary increases, bonuses or company cars, employer contributions to an executive pension plan are not normally viewed as income, so they are not taxed.

EXAMPLE:

A company director, male, aged 55, married and planning to retire at age 60, has an Executive Pension Plan. He takes €250,000 out of his company as follows:

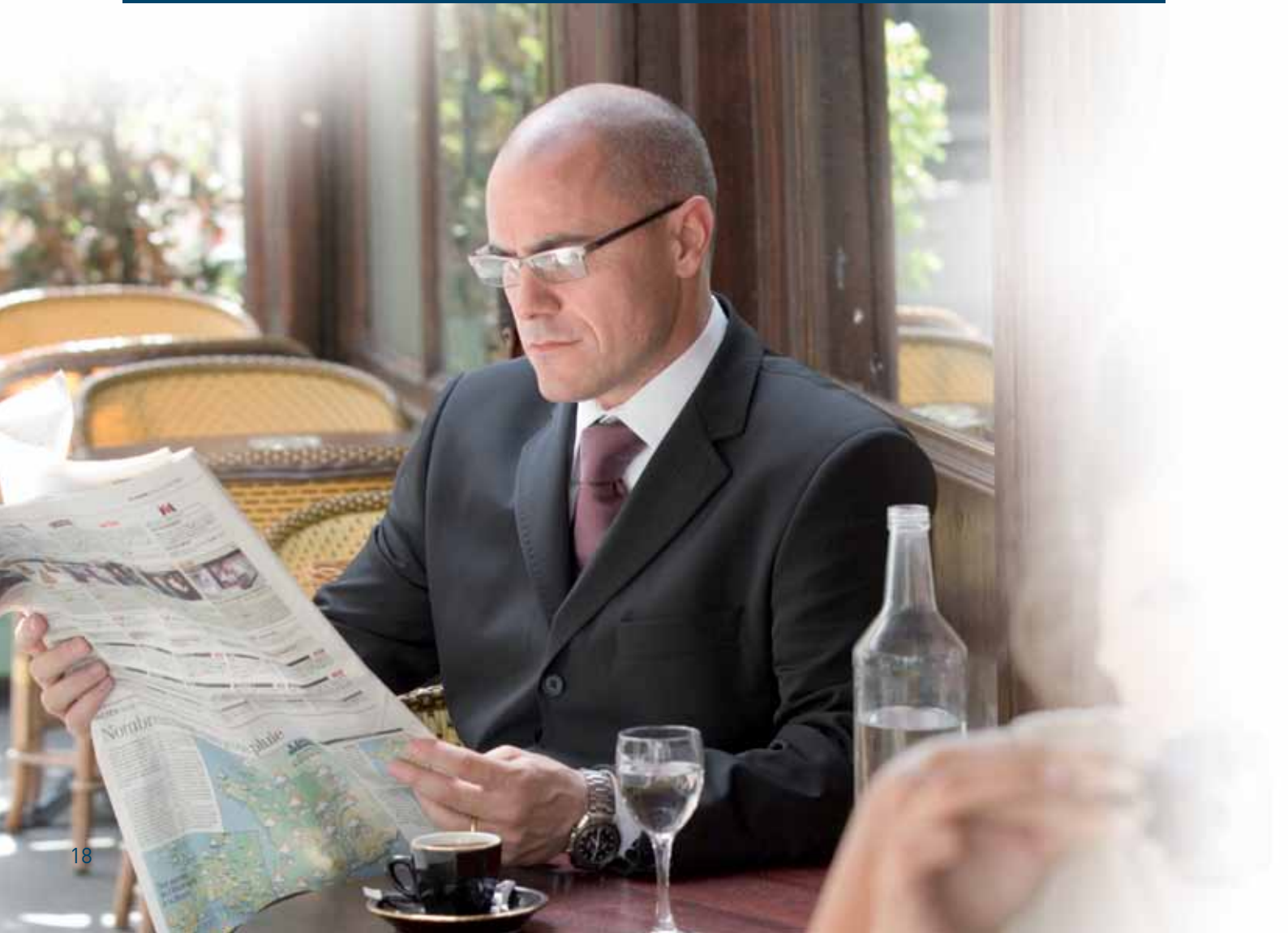
Annual Salary

€50,000 (on which income tax would be paid)

Annual Company Pension contribution

€200,000 (income tax-free) (Corporation tax free)

* Based on married male aged 55, retiring at age 60, provided he has no other pension benefits. Applies to Executive Pension Plans. Does not apply to PRSAs or personal pensions. It is important to note that tax relief is not automatically granted; you must apply to and satisfy Revenue requirements. Revenue terms and conditions apply. The case studies are not real people and are for illustration purposes only.



'How will I know what options are available to me at retirement?'

Most people will choose to take the very attractive tax-free lump sum from their retirement fund and then use the balance to meet their financial needs in retirement through one of three further retirement options – taking a taxable lump sum, purchasing a Pension (Annuity) or investing in an Approved Retirement Fund (ARF).

A Did You Know?

80% of workers envisage having a very different lifestyle in retirement than that of their parents... they plan to do more holidays (64%), be more active (45%), be more social (31%), have more money (30%), and spend more on themselves (28%).

New Ireland Pension Research 2011

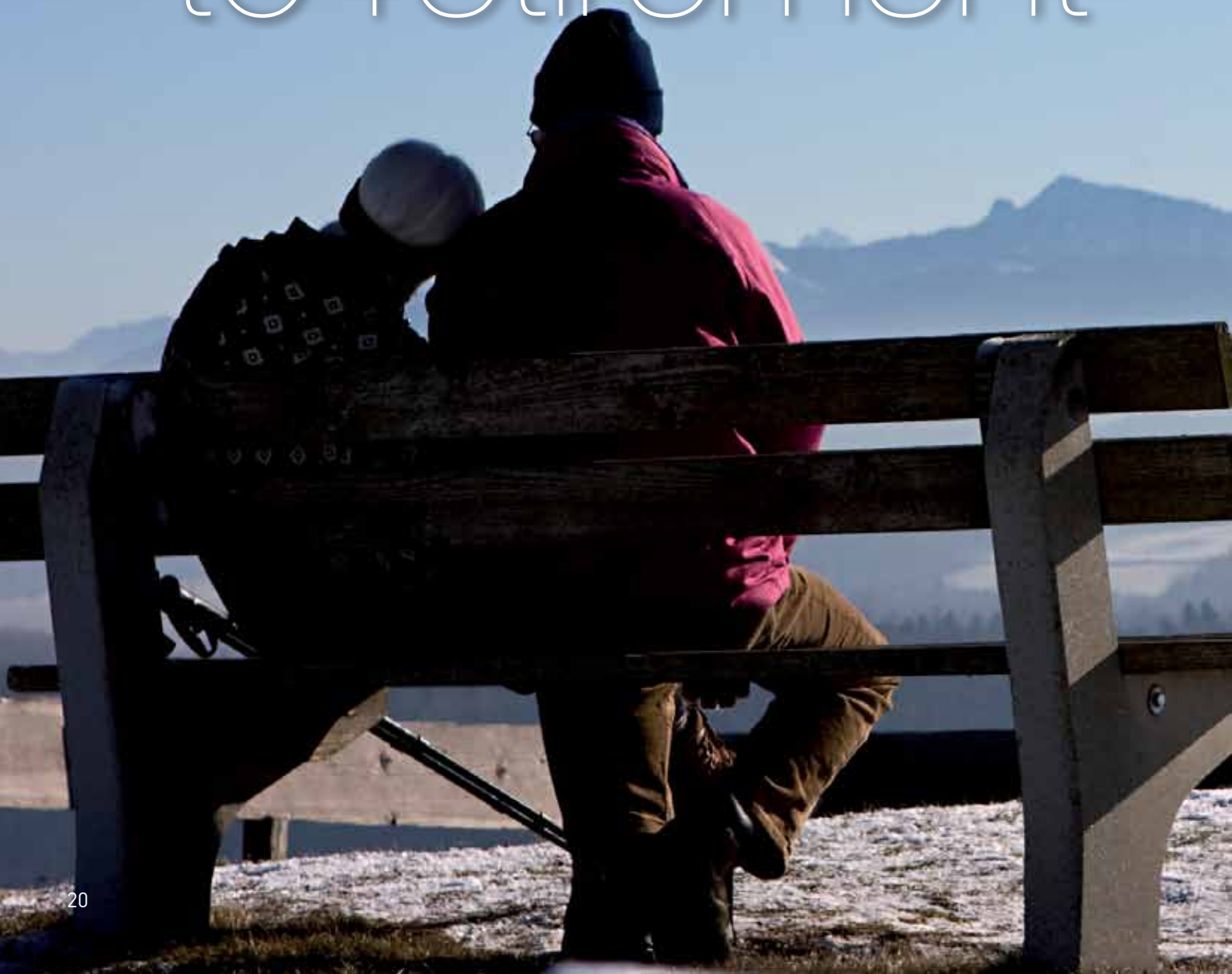
The retirement option that is right for you will depend on many factors, including:

- Your age;
- The size of your retirement fund;
- The level of income you and your spouse/civil partner/dependant will need during your retirement years;
- The amount of other assets - apart from your retirement fund - that you have to fall back on;
- Whether investment growth or security is more important to you during your retirement years;
- Whether you wish to pass your retirement fund on to your dependants; and
- Your current state of health.



All pension plans give you the option to purchase a Pension but some pension plans may also give you the option to invest your fund in an ARF or take a taxable lump sum. What you can do with the proceeds of your pension plan depends on which employment category you fall into and the type of pension plans you currently hold.

The **countdown** to retirement



Questions to ask your broker or financial adviser

Meet with a financial adviser to start getting a clear idea of what your financial circumstances are likely to be when you retire.

Questions to ask

- ✓ Am I invested in the right pension fund for how I plan to take my benefits at retirement?
- ✓ What level of pension and tax free lump sum can I currently expect at retirement?
- ✓ People are living longer than ever. Will I have enough money to last me for up to twenty years or longer in retirement?
- ✓ Do I need to increase my pension savings over the next few years to reach my desired retirement income?
- ✓ What options are available to me in how I can take my retirement benefits?

Other considerations

- ✓ Do I need to provide an income in retirement for my spouse too?
- ✓ What is my expected Annual Retirement Budget? Include your expected annual pension income after tax and other deductions. Estimate your expected outgoings and expenses in retirement. Factor in the potential cost of long-term health care for you or your spouse.
- ✓ If the lifestyle you want in retirement will cost more than you expect, you may need to consider continuing to work part-time, reducing your expenses, or postponing your retirement date to meet your goals.
- ✓ You should also consider consolidating and automating your finances as when you retire your income could come from a number of different sources including; your employer, the State and the provider you choose to place your retirement fund with. Having one central current account will make it easier for you to keep track of your flow of income.



Retirement Planning Folder

This is a good way to start gathering important information and documents that you will need when you come to retire such as:

- ✓ Your P60s for the last three years before you retire.
- ✓ Details of your retirement benefits from your employer.
- ✓ Copies of all Pension Plan annual benefit statements.
- ✓ Evidence of any taxable, non pensionable income.
- ✓ Details of any group life or health insurance plans linked to your employment.
- ✓ Consider your future health care needs - what life assurance benefits will you have when you stop working?
- ✓ Is your current health insurance plan suitable for your changing needs?
- ✓ Research what Social Protection entitlements you will have in retirement (and those of your spouse if you are married).



Useful Pension Resources

New Ireland – Pensions Zone
www.newireland.ie/pensions

National Pensions Framework
[www.pensionsgreenpaper.ie/downloads/
NationalPensionsFramework.pdf](http://www.pensionsgreenpaper.ie/downloads/NationalPensionsFramework.pdf)

Department of Social Protection
www.welfare.ie

The Pensions Board
www.pensionsboard.ie

The National Consumer Agency - Consumer Site
www.itsyourmoney.ie

Revenue Commissioners
www.revenue.ie

The Pensions Ombudsman
www.pensionsombudsman.ie

Irish Association of Pension Funds (IAPF)
www.iapf.ie

Irish Institute of Pension Management (IIPM)
www.iipm.ie

Retirement Planning Council
www.rpc.ie

Association of Pension Lawyers in Ireland
www.apli.ie

It is important to note that the various case studies set out in this magazine are not based on actual customers and are intended for illustration purposes only.

The Government has with effect from 2011 introduced a temporary levy on pension funds of 0.6% per annum for four years.

Revenue limits, terms and conditions apply. It is important to note that tax relief is not automatically granted; you must apply to and satisfy the Revenue requirements. Your benefits at retirement may be subject to tax.

While great care has been taken in its preparation, this booklet is of a general nature and should not be relied on in relation to a specific issue without taking appropriate financial, insurance, investment or other professional advice. The content of this booklet is for information purposes only and does not constitute an offer or recommendation to buy or sell any investment, or to subscribe to any investment management or advisory service. If there is any conflict between this booklet and the policy conditions, the policy conditions will prevail.

The information contained in this booklet is based on our understanding of current and intended legislation, and Revenue practice as at August 2011.

New Ireland pension market research was conducted in September 2010 by W5 Marketing Intelligence with a nationally representative sample of 300 consumers, aged between 30 -60 years and earning over €35,000 per annum.

FBD Life & Pensions Limited trading as FBD Financial Solutions is regulated by the Central Bank of Ireland.

Warning: The figures contained in this booklet are estimates only. They are not a reliable guide to the future performance of your investment.

Warning: The value of your investment may go down as well as up.

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