



An Bord Pinsean -
The Pensions Board
Authority for Pensions

"I'M ON TO IT ONE OF THESE DAYS"



Who will look after you in your retirement?

The current State social welfare pension is €209.30 per week or €10,883 per year (as of Jan 2007)

...will this be enough for you to live on?

87% of a Pensions Board Consumer Research survey said that the State social welfare pension would NOT meet their needs in retirement.

Where will your ADDITIONAL income come from when you retire?

Starting a new job — ask about your pension!

Did You Know

- By law your employer must provide you with some form of access to a pension, whether you are in full-time, part-time, temporary, contract or casual employment.
- You are legally entitled to information about your employer's pension scheme or your PRSA, thanks to the Pensions Act.
- You can save for retirement even if you are not working through a PRSA.

STOP PUTTING IT OFF **START YOUR**
PENSION
www.pensionsboard.ie

National Pensions Action Campaign
LoCall 1890 65 65 65



"I'LL GET AROUND TO IT SOON ENOUGH"

Pensions Checklist

This checklist is to help you prepare for an adequate income in your retirement

	YES	NO
1. Does your employer have a company pension scheme?	<input type="checkbox"/>	<input type="checkbox"/>
2. Can you join the scheme?	<input type="checkbox"/>	<input type="checkbox"/>
3. Do you know what benefits the scheme provides?	<input type="checkbox"/>	<input type="checkbox"/>
4. Have you heard about Personal Retirement Savings Accounts (PRSAs)?	<input type="checkbox"/>	<input type="checkbox"/>
5. If you are an employee, do you know that your employer must provide you, by law, with access to at least one Standard PRSA, if	<input type="checkbox"/>	<input type="checkbox"/>
● you have no company pension scheme, or		
● you are only included in the scheme for death in service benefits, or		
● you are not eligible to join the scheme within 6 months from the date you commenced employment, or		
● you do not have access to Additional Voluntary Contributions (AVCs) through your scheme?		
6. If you are unemployed or a homemaker or carer, do you know you can provide for your pension by using a PRSA?	<input type="checkbox"/>	<input type="checkbox"/>
7. If you are in a self-employed trade or profession or have earnings from non-pensionable employment, do you know you can provide for your pension by using a PRSA or a Retirement Annuity Contract (RAC)?	<input type="checkbox"/>	<input type="checkbox"/>
8. Do you know that contributions paid to a pension scheme, PRSA or RAC will benefit from income tax relief on your net relevant earnings, at your highest rate of tax, as outlined below:	<input type="checkbox"/>	<input type="checkbox"/>

Highest age at any time during the tax year	Limit
Under 30	15%
30-39	20%
40-49	25%
50-54	30%
55-59	35%
60 and over	40%

Note: Subject to certain conditions, in most cases contributions will also be relieved from PRSI and the Health Levy, if you pay these charges.

9. Have you decided what level of income you will need in retirement?	<input type="checkbox"/>	<input type="checkbox"/>
10. If you have a pension scheme, PRSA or RAC, are you contributing enough to it in order to provide a realistic replacement income in retirement?	<input type="checkbox"/>	<input type="checkbox"/>

Whether you have ticked Yes or No to any of the above questions

Take Action - Visit the online Pensions Calculator at

www.pensionsboard.ie to work out as a guide how much you should be contributing to your pension.

WWW.PENSIONSBOARD.IE

NO EXCUSES - GET  TO IT NOW



"I'LL START AFTER I'VE PAID OFF MY CREDIT CARD"

Pensions Calculator

The calculator allows you to estimate the amount of money you would need to contribute to your pension in relation to your age and current yearly salary to end up with the level of pension you expect in retirement.

Sample Details	
Female Selected	
Current age	25
Current Salary €	€30,000
* Target Pension as % of Pre-Retirement Salary	50%

Notes:

Sample is based upon today's money and your pension starting at age 65. The average industrial wage is €30,160 (approx).

How Your Pension Is Made Up	
Estimate Private Pension at age 65	€4,116
Estimate State Pension at age 65*	€10,884
Estimate Total Pension at age 65	€15,000

The Age You Start Your Contributions	Age 25	Age 30	Age 35	Age 40
Yearly as % of Salary:	5%	6%	7%	9%
Yearly Contributions:	€1,500	€1,800	€2,100	€2,700
Gross per Month:	€125	€150	€175	€225
Less Tax Reliefs:	(€25)	(€30)	(€35)	(€45)
Net Contributions Per Month:	€100	€120	€140	€180

* Entitlement to a full contributory state social welfare pension is assumed and is included as part of the target pension. The current state social welfare pension is €10,883.60 per year (or €209.30 per week) as of January 2007.

Tax Relief: Do you know that contributions paid to a pension scheme will benefit from income tax relief at your highest rate of tax?

Tax Relief Example: If you contribute €100 per week to your pension and you pay tax at the higher rate (i.e. 41%), the net cost to you works out at €59 per week.

Additional Relief: Contributions will also be relieved from PRSI and the Health levy, if you pay these charges.

The maximum contribution that is allowable by the Revenue for tax relief purposes, given your age, is 15 percent of your net relevant earnings.

This calculator only gives a sample indication of the funding contributions for your pension and no reliance should be placed on it. This calculator does not take into account any contributions an employer might make to your pension. For a full and accurate assessment of your personal finances and any tax relief you may be entitled to on your pension contributions always consult with a professional financial adviser.

The next step is to talk to your employer, trade union, bank, insurance company, building society or financial advisor about starting your pension today.

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NO EXCUSES - GET **ON** TO IT NOW



"I'LL GET AROUND TO IT AFTER THE HOLIDAYS"

Changing World We Live In

Changing Times

- We are Living Longer
- More Contract Work
- More Part-Time Working
- Single Parent Households
- Smaller Families
- Separation
- Divorce

Difference Between Men and Women

Women often...

- Earn less than men
- Have a broken career pattern
- More likely to work part-time
- Live longer than men

When compounded, these factors make women more vulnerable to poverty, especially in their later years. That can make for a longer but poorer retirement.

The Facts

- Only 61.8% of the adult Irish workforce over 30 years of age
 - Only 58.3% of men in the Irish workforce
 - Only 50.6% of women in the Irish workforce
 - Less than 16% of those working in
 - the agricultural industries including farming
 - working seasonal & part-time
 - working in the catering & tourism industries
- ...have private pensions

(Source: CSO Survey Dec 2006)

A man retiring at 65 now can expect to live to 81 and a woman retiring at 65 can expect to live to 84!

It takes a long time to save for retirement and the earlier a person starts to contribute to a pension, the better.

For those who switch off at the first mention of pensions, it's time to get informed.

Employers, Play your Part

A good deal for YOUR Company

A good pension scheme has been long recognised as a very valuable asset for both the company and its employees.

There is a stronger commitment from employees to participate in pension schemes where the employer makes a contribution. Your company benefits from having:

- a reputation and respect as a good employer
- a workforce that feels valued and important
- increased loyalty and commitment from staff
- an enhanced staff recruitment, reward and retention package

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Glossary of terms

Additional Voluntary Contributions (AVCs): Additional Voluntary Contributions paid by a member of a company pension scheme in order to secure benefits over and above those set out in the rules of the scheme.

Personal Retirement Savings Accounts (PRSAs): A PRSA is a contract between an individual and an authorised PRSA provider in the form of an investment account. The PRSA benefits will be determined by the contributions paid by and on behalf of the contributor and the investment return on those contributions.

PRSI: A shortened name for Pay Related Social Insurance, under which individuals who earn an income pay a related contribution to the Social Insurance Fund, and in return are covered for certain Social Insurance Benefits, e.g. Retirement Pension, Social Welfare Old Age (Contributory) Pension.

Retirement Annuity Contract (RAC): An individual pension policy which can only be effected by individuals who are in non-pensionable employment or who have taxable earnings from a self-employed trade or profession. Also known as a Personal Pension Plan.

National Pensions Action Campaign: Is a Government-driven pension awareness campaign conducted in conjunction with the relevant public and private sector bodies. The primary objective of the campaign is to heighten pensions awareness with the view to increasing pension coverage in Ireland.

Information Booklets

The Pensions Board publish a wide range of very practical information booklets on all aspects of pension related issues including the four booklets listed below. All of the booklets are available free of charge and can be ordered from the Board's Information Unit at info@pensionsboard.ie or **LoCall: 1890 65 65 65** or can be viewed and downloaded from the Board's website www.pensionsboard.ie



1. "What are my Pension Options"
2. "Women and Pensions"
3. "Personal Retirement Savings Accounts (PRSAs) A Consumer guide"
4. "Personal Retirement Savings Accounts (PRSAs) Employers' Obligations".

The booklets are also distributed through the Department of Social and Family Affairs local offices, Citizens Information Centres, employer groups, Trades Unions, employer and community representative organisations and national libraries.

National Pensions Action Campaign
The Pensions Board, Verschoyle House, 28/30 Lr Mount St., Dublin 2.
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**9 out of 10 people say the
State Social Welfare pension
will NOT meet their
needs in retirement***

**Where will your additional income
come from when you retire?**



Calculate your pension online at
www.pensionsboard.ie



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