

Women and pensions checklist



An tÚdarás Pinsean
The Pensions Authority

www.pensionsauthority.ie

This checklist describes the ways in which women can improve financial security for themselves and their dependants in retirement. Although men and women are treated equally in relation to pension provision, there are a number of areas such as maternity leave, part-time working and breaks in employment that are of particular interest to women. Many women are homemakers and rely on benefits available from their spouse/partner's pension scheme. Also, women generally live longer than men. These factors mean that women can be more vulnerable in relation to retirement.

Women may receive pension income from a number of sources in retirement. For more information on these arrangements, including available tax relief, see the Pensions Authority's booklet 'What are my pension options?' available on the Authority's website.

State pension

The current State full rate contributory pension entitlement is €233.30 per week or approximately €12,000 per year. If you do not have a full PRSI contribution history, you may be entitled to credits or disregards for periods when you have been out of the workforce. Alternatively, you may be entitled to a means-tested State pension.

- Are you currently entitled to a State pension?
- Will you be entitled to a State pension at retirement in your own right?
- Have you been out of the workforce and do you know how this will affect your State pension entitlements?

For more information on State pension entitlements, contact the Department of Social Protection, see www.welfare.ie.

Key points – estimating your pension at retirement

If you have a personal pension plan or PRSA, or you are a member of an occupational pension scheme, you will receive statements at least annually. These statements tell you how much pension or retirement savings you have accrued to date. You may also be entitled to receive a projection of your possible benefits at retirement based on certain assumptions. The Pensions Authority has developed an online 'Pensions Calculator', available on the Authority's website, to help you plan for your retirement.

Occupational pensions

Occupational pensions are provided through your employer in the public and private sector. Depending on the type of pension scheme, your benefits could include a pension linked to your salary and service at retirement (a defined benefit scheme) or a pension based on the amount of a retirement fund built up by contributions made by you and your employer and investment returns (a defined contribution scheme), or a combination of both.

- Are you a member of an occupational pension scheme?
- Are you entitled to join an occupational pension scheme but have not done so?
- Do you know what benefits will be paid at retirement?
- Are these benefits sufficient to provide financial security for you in your retirement?
- Have you considered paying additional voluntary contributions (AVCs) to increase your benefits?
- Do you know what benefits would be available for your family were you to die or become disabled and unable to work?

Personal pensions and PRSAs

Personal pensions can be used if you do not have access to an occupational pension scheme (for example if you are self-employed), or if you want to supplement your retirement savings. These may be either Retirement Annuity Contracts (RACs) or Personal Retirement Savings Accounts (PRSAs).

- Have you considered taking out a personal pension or PRSA but have not done so?
- If you have a personal pension or PRSA, are the benefits you expect to get sufficient to provide financial security for you in your retirement or should you consider increasing your contributions?

Spouse/partner's pension

Your spouse/partner may have income from any of the above sources. In addition, your spouse/partner's pension arrangements may provide an income for you in the event of death.

- Are you dependent on your spouse/partner's pension arrangements for your own financial security in retirement?
- Do you know what benefits if any are available under your spouse/partner's pension arrangements?
- Do you know what benefits would be available for you and your family were your spouse/partner to die or become disabled and unable to work?

Breaks in employment

One of the issues that can have a particular impact on pensions for women is the greater likelihood of breaks in employment, perhaps as a result of raising a family or acting as carer for a relative.

If you have been out of the workforce for some years, you will need to consider the implications for your pension. In particular you will need to consider if you should save more to make up for the loss in pensionable service while you were out of the workforce.

- If you were a member of any pension scheme before your break in employment, are you entitled to any benefits from these schemes?
- If you re-joined the same employer, have you looked into the possibility of re-joining your employer's scheme and looked into the terms that would apply?
- Have you considered making additional voluntary contributions (AVCs), taking out a PRSA or if you are a civil or public servant, buying notional years service (buying added years) to supplement your pension and make up for the missing years?
- If you have changed your name or address have you informed the administrators where you have a pension benefit?

Key points – investment and charges

- Are you responsible for the investment of your pension fund's assets?
- If you are responsible for the investment of your pension fund's assets, have you reviewed your investment funds to ensure they are suitable based on your term to retirement and your attitude to investment risk?
- Do you know the fees and charges payable in relation to your pension and are you satisfied that these are appropriate and competitive for the services provided?
- For more information, see the section **Investment: risk and reward** on the Pensions Authority's website

Part-time/job-sharing and fixed-term work

If you are a part-time worker/job-sharer or fixed term worker who works at least 20% of the hours of a comparable employee, you are entitled to the same benefits as the comparable employee. For more information, see the Pensions Authority's booklet 'What are my pension options?' available on the Authority's website.

Maternity, adoptive, parental and carer's leave

In the case of statutory and paid maternity and adoptive leave, service as a member of a pension scheme continues to accrue as normal (including the requirement to pay contributions, if applicable). In the case of parental and carer's leave, service as a member of a pension scheme before and after leave must be treated as continuous, but service may not continue to accrue for the period of the leave itself. For more information, see the Pensions Authority's booklet 'What are my pension options?' available on the Authority's website.

- If you have taken maternity, adoptive, parental or carer's leave, are you satisfied that the treatment of your pension benefits is correct?

Equal pension treatment

The principle of equal pension treatment is that there should be no discrimination on any of nine discriminatory grounds in respect of any rule of a pension scheme. This includes gender, marital status and family status. For more information, including what to do if you believe you are being discriminated against, see the Pensions Authority's booklet 'A brief guide to equal pension treatment' available on the Authority's website.

Pensions on separation and divorce

The pension entitlements of you and your spouse arising from occupational or personal pension arrangements may be affected by separation or divorce under Family Law. The Pensions Authority has produced a booklet 'A brief guide to the pension provisions of the Family Law Acts' and an accompanying checklist, both of which are available on the Authority's website. Under Family Law, an order can be made following a decree of judicial separation or divorce whereby the court adjusts a pension scheme member's pension rights in favour of an ex-spouse or dependent child. These provisions now also apply to civil partners and co-habiting couples.

- If you are separated or divorced or undergoing a separation or divorce, do you know the implications for your pension benefits as a spouse, civil partner or co-habitant?
- Have you sought a Pension Adjustment Order in relation to your ex-spouse/partner's pension scheme?
- Has your ex-spouse/partner sought a Pension Adjustment Order in relation to your pension scheme?
- If you have not already sought a Pension Adjustment Order and you are going to remarry, should you consider seeking one?
- If your decree of judicial separation or divorce is less than 12 months old, but you have not previously sought an order in relation to benefits payable on the death of your ex-spouse/partner, should you be considering doing this?

Key points – nearing retirement

- If you are retiring soon, have you considered the benefit options available to you and chosen the options most suited to your personal circumstances
- Have you made allowance for your dependants?
- Have you considered taking financial advice?



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