

PENSIONS  
INVESTMENTS  
LIFE INSURANCE



**Irish Life**

# PLANNING FOR YOUR RETIREMENT IN YOUR 50'S





This is John, who is married to Jane with one child. John is a 57 year old engineer. He had a pension with his previous employer and when he became self-employed he set up another pension plan. Their only daughter Susan has finished college already and their mortgage is nearly paid off. John would like to be able to help Susan when she is ready to step onto the property ladder.

## WHAT TO DO IF YOU'RE 50-SOMETHING

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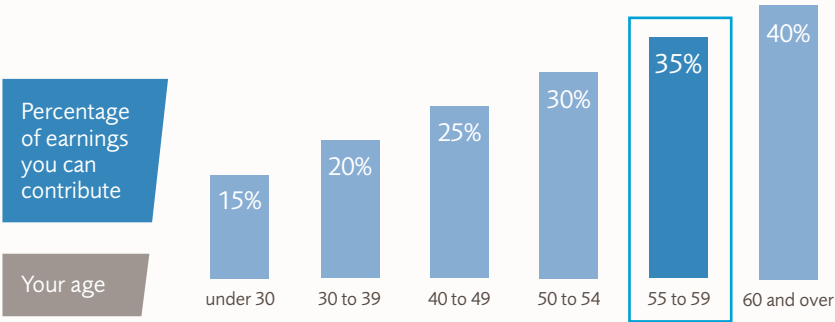
### SET UP A PENSION REVIEW

As you enter your 50s retirement doesn't seem quite so far away. It's time for some more detailed planning. The key thing to realise is that, whatever your current situation, there's plenty you can do to improve your lifestyle in retirement, providing you act now. Your Financial Broker or Adviser will review your existing Pension Plans and discuss your expected retirement goals.

It's true to say that the sooner you start a pension, the longer it has to grow. But if you don't have a pension, that doesn't mean you've missed the boat altogether. The system is designed to help you catch up. The older you are, the higher the percentage of your salary you can use to make payments to your pension plan.

Don't worry about the years that have gone, just maximise your efforts in the years to come and use all your extra income tax relief.

## MAXIMISE YOUR INCOME TAX RELIEF



So for example, if John's salary is €60,000 he could invest up to €21,000 (35% of €60,000) and receive income tax relief on this payment, resulting in a net cost of €16,800 at 20% income tax relief or €12,600 at 40% income tax relief. Pension income in retirement is subject to income tax at your highest rate on withdrawal, Universal Social Charge (USC), Pay Related Social Insurance (PRSI) (if applicable) and any other taxes or government levies due at that time.

Income tax relief is not guaranteed and rates used are current as at July 2021. To claim income tax relief, you can apply to your Inspector of Taxes to adjust your tax credits. Contributions deducted from salary will receive immediate income tax relief. If you are self employed, you must include your pension contributions in your self assessment tax returns in order to get income tax relief. To be eligible to claim income tax relief, your income must be taxable under Schedule E or Schedule D (case I or II).

## **TAKING LESS RISK APPROACHING RETIREMENT AGE**

As you're approaching retirement age you're probably more cautious and may want to consider investing in lower risk funds.

Irish Life offer a very practical solution called Lifestyling. This involves gradually moving your own choice of funds to a mix of medium-risk to low-risk funds as you move closer to retirement. These strategies are suitable if you want to invest in high-risk or medium-risk funds over the term of your pension plan but want to move gradually into a mix of medium-risk and low-risk funds as you get nearer retirement. Ask your Financial Broker or Adviser for details.

## **OPTIONS FOR RETIREMENT**

When you reach your retirement age there are some different options of what you can do with your Pension Fund. It is important that you start looking at them early to plan for the approach that suits you best.

## Checklist for 50 something



- ☐ If you have a pension plan already, do you know what type of investment funds your pension fund is invested in?
- ☐ Have you considered moving to lower risk funds?  
Your Financial Broker or Adviser can help you with this.
- ☐ Have you considered and made plans for your options in retirement? For example, whether you're going to take your pension as an income or mix of lump sum and income.
- ☐ You should take time to read your Pension Benefit Statements and keep track online.
- ☐ Are you reviewing your pension with your Financial Broker or Adviser at least every year?
- ☐ Are you claiming the full income tax relief you're entitled to?
- ☐ If you have a company pension, are you keeping track of your employment details?

Check out the online Pension Calculator at [www.irishlife.ie/pensions](http://www.irishlife.ie/pensions) to see the kind of income you can expect in retirement.



## For advice

on how to make the most of your retirement savings now,  
book a meeting with your Financial Broker or Adviser today.

# WHY CHOOSE IRISH LIFE?

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Ireland's leading life insurance and pensions provider (based on market share at June 2019). Irish Life have been helping people in Ireland plan for their retirement for **OVER 80 YEARS**.



Irish Life Investment Managers have won the **INVESTMENT MANAGER OF THE YEAR 2019** at the Irish Pension Awards and the **PASSIVE MANAGER OF THE YEAR 2019** at the European Pension Awards.



Irish Life manages over **4,400 Corporate Company Pension Plans**. This includes the Irish employees of:

- 8 of the 10 biggest Irish companies (on the ISEQ)
- 6 of the 10 biggest U.S. companies (on the S&P500)



Irish Life's investment manager takes care of over **€76 BILLION** for thousands of people across Ireland.



**> 1 MILLION**

Irish Life have over **1 MILLION CUSTOMERS** in Ireland.



With **24/7 online service** and a Dundalk based customer service team Irish Life aim for the highest quality customer service.



Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.

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# Irish Life



## NEED SOME ADVICE?

To discuss your retirement plan contact your Financial Broker or Adviser today.

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Information is correct as of June 2020.

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