

If you're close to retiring,
consider your options today



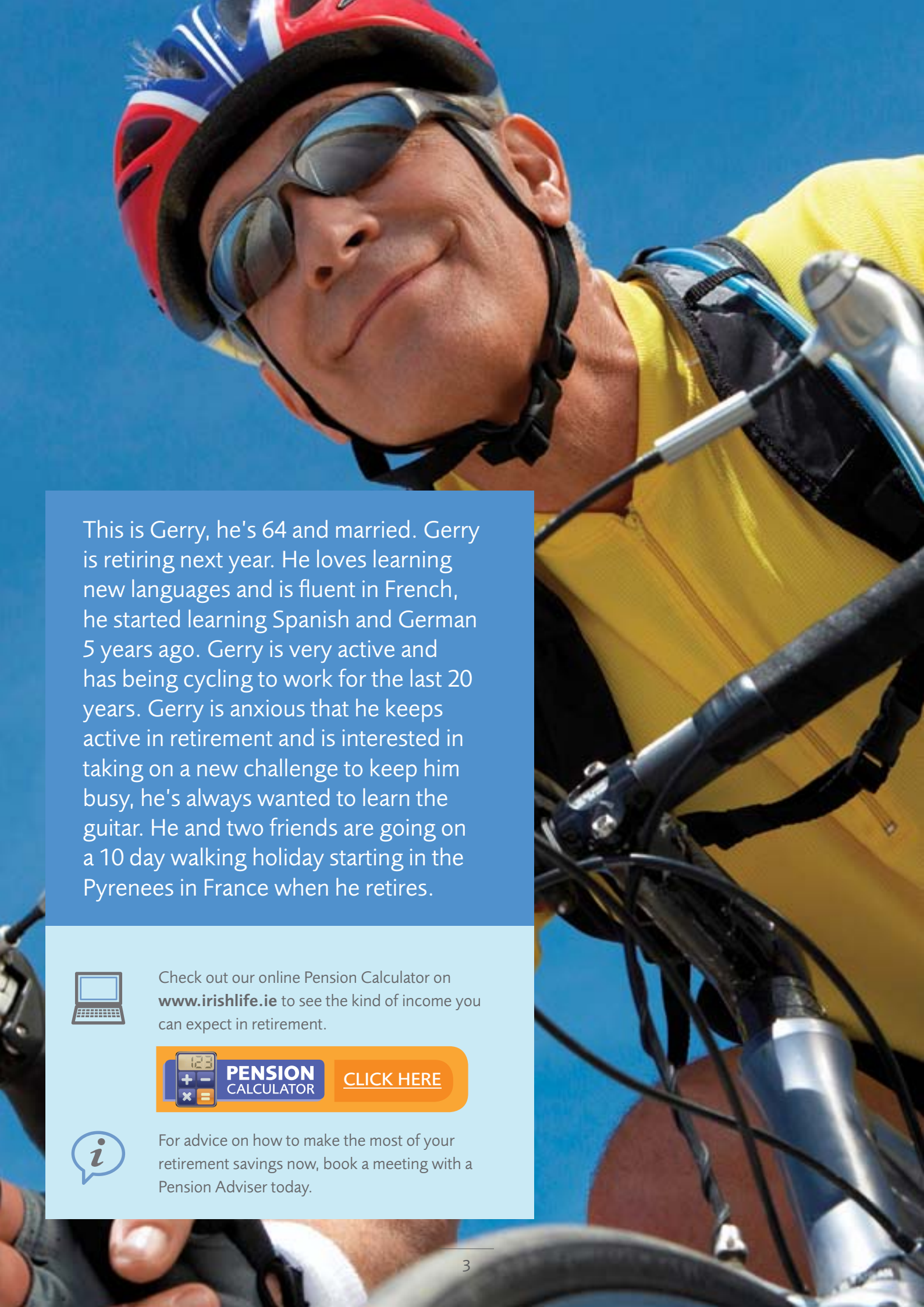
Pension planning with Irish Life

Planning for a longer life

First the good news – as a nation, we're living longer! And not just by a little. According to the 2011 Census, there are 58,416 people aged 85 or over – that's 10,000 more than the previous 5 years.

Of course, as life expectancy increases so does our need for a realistic retirement plan. For most of us that will include a well-funded pension. Your pension will help you ensure that your retirement years are spent doing the things you always wanted to, not regretting the opportunities you missed.





This is Gerry, he's 64 and married. Gerry is retiring next year. He loves learning new languages and is fluent in French, he started learning Spanish and German 5 years ago. Gerry is very active and has been cycling to work for the last 20 years. Gerry is anxious that he keeps active in retirement and is interested in taking on a new challenge to keep him busy, he's always wanted to learn the guitar. He and two friends are going on a 10 day walking holiday starting in the Pyrenees in France when he retires.



Check out our online Pension Calculator on www.irishlife.ie to see the kind of income you can expect in retirement.



PENSION
CALCULATOR

[CLICK HERE](#)



For advice on how to make the most of your retirement savings now, book a meeting with a Pension Adviser today.

What to do if you're close to retiring

The secret is to plan in advance.

The word 'retirement' can cause mixed feelings amongst people who are retiring in the next few years. Some people don't look forward to retiring and are unsure what they will do with all their spare time, others can't wait and already know how they will spend every minute of their day.

No matter how you feel about retiring the secret is to plan in advance, after all you can spend 20 years in retirement. Planning in advance gives you the opportunity to prepare yourself for a big change in your lifestyle and allows you to consider all the endless opportunities open to you. Retirement is a big change but can be an exciting change if you plan ahead.

"I don't want to take early retirement I haven't psychologically prepared myself to retire". – Pension customer

While you're employed you have a structure, a defined role and status, when you retire this can change. You'll wake up on the Monday morning at 7am and realise you don't have to go to work, you're no longer out of the house and busy until 6pm. So what are you going to do with the extra free hours every day?

Let's look at the exciting opportunities open to you.

Firstly, do you need advice on planning for your retirement?

If your employer doesn't provide a retirement planning course you can check out The Retirement Planning Council of Ireland www.rpc.ie

The Retirement Planning Council of Ireland research states that 80% of your daily contact is with work colleagues. Surprised at how high this percentage is, we were too! This just highlights the need to plan your retirement and fill your time with activities.

The Retirement Planning Council of Ireland provides support, information and guidance to people planning for retirement. They offer practical two day courses that talk through the financial and lifestyle changes that retirement can bring. They also provide one-on-one courses for executives.

"Happy and fruitful retirements are based on preparation of mind, attitudes and body - and the sooner preparation begins the better. Research has shown, also, that those who plan for retirement live longer and are more content than those who do not. Our experience over the last three decades of helping people to plan for the changes that retirement brings is such that we believe that a Planned Retirement is a Happy Retirement."

Source www.rpc.ie

Keeping active, finding a new hobby or travelling

The key is to keep active and healthy. If you don't already have a hobby or a member of a club or group you could contact Active Retirement Ireland. They say 'Life begins at 50'.

Active Retirement Ireland www.activeirl.ie

"Active Retirement Ireland principal aim is to help men and women, who are retired or semi-retired, from paid or unpaid work, to lead a full, happy and healthy retirement by offering organised opportunities for a wide range of activities - holidays, outings and socials; creative and learning programmes; indoor and outdoor sports and community work".

Source www.activeirl.ie

This website also has special offers for over 50s. These offers currently offer a range of discounts for places like The Titanic Experience, Cork Opera House and Christ Church Cathedral. A perfect opportunity to visit the sites you never got round to before.

Golden Ireland.ie

Golden Ireland.ie is an Irish travel website exclusively for the over 55s. Here you will find a wide range of discounts - from Hotel "Golden Year's" Breaks to discounts for seniors from Visitor Attractions, Guesthouses and other leading Irish tourism providers. With your free travel pass from age 66, you could travel around Ireland and make the most out of Golden Ireland.ie.

Your entitlements

Citizens Information www.citizensinformation.ie

Before you retire you should look into what state benefits you may be entitled to when you retire. You shouldn't rely solely on these benefits, that's why it's been so important that you build the largest retirement fund you can while you're working.

From certain ages you may be entitled to certain benefits. This website will outline if you are automatically entitled to a state pension or if you need to be means tested. It also covers all the benefits that are available and the requirements to be eligible ranging from a medical card, carers allowance, better energy home schemes and fuel allowance.

For example as mentioned above from age 66 you are entitled to free travel on state public transport – bus, rail and LUAS!

Maybe like Gerry you could learn to play the guitar or another musical instrument, improve on the little bit of Spanish or French you have, or plan an annual walking holiday with your friends, your options are endless but the secret is to plan in advance.

The information above is just an example of websites and groups that may help you. There may be groups in your local community that can provide the same support and advice.

Checklist for close to retiring:

- ☐ Ask your employer if they provide retirement planning courses, if not consider attending a course yourself.
- ☐ Visit the Citizens Information office and see what state benefits you are entitled to.
- ☐ Choose a new hobby that you want to master in retirement.

Please see page 8 for our retirement plan checklist, or just [click here](#).



What happens at retirement

So what happens when your pension finally starts paying out instead of paying in? Most pension plans are designed to provide you with an income supplemented by your State Pension.

Tax free lump sum or regular income

When you retire you stop paying into your pension and the fund is closed. You then have a variety of options. Most people choose to take advantage of a retirement lump sum, of which the first €200,000 is tax free (the maximum lump sum is 25% of a fund size of €2 million).

For company pensions your lump sum may be based on your salary and service (up to a maximum of one and a half of your annual salary but up to a limit of €200,000).

The other 75% can be re-invested a number of ways to provide you with an ongoing pension income. All pension plans allow you to buy an annuity, which will provide you with regular monthly income in retirement. Some types of plans give you further options – to invest in an ARF (Approved Retirement Fund) or AMRF, remain invested in your PRSA (vested PRSA) or take a taxable lump sum.

What is an Approved Retirement Fund (ARF)/vested PRSA?

An ARF or a vested PRSA are retirement funds that allow you flexibility with your pension income, while also allowing you the opportunity to further invest. This provides you with greater flexibility and independence, and is now available to employees as well as employers. When you retire, you can invest your retirement fund in a personal investment account called an Approved Retirement Fund. The key benefit is that you can withdraw money from the account when you need.

Warning: The income you get from this investment may go down as well as up.

What is an AMRF (Approved Minimum Retirement Fund)?

An AMRF is also an investment account for your retirement fund. If you do not have a guaranteed pension income for life of €12,700 a year (or you are not buying an annuity) you must invest €63,500 into an AMRF before you can invest in an ARF. You can only make withdrawals from the growth made on your AMRF investment before age 75. Your AMRF will become an ARF when you start to receive a guaranteed pension income of €12,700 a year from other sources or you reach age 75. Once your AMRF becomes an ARF you can then make withdrawals from the original amount invested. These limits are current as at June 2014.

Ask your local Pension Adviser for more details.

Warning: If you invest in an AMRF you will not have access to your initial investment until age 75.

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.

A pension plan for you

We can help you work out your personal lifestyle priorities. For instance, would you prefer a secure, regular income or a fund which you could withdraw money from as and when you need it, and which you would ultimately pass on to your dependants?

Retirement Plan Checklist

- ☐ Do you know the overall size of your pension fund?
- ☐ How much income you need? (currently a single person aged 65 or over can receive up to €18,000 tax free per year).
- ☐ How do you plan on using your tax free retirement lump sum – to clear debt or save for your future needs?
- ☐ Do you have any other assets besides your retirement fund which you will rely on?
- ☐ Are you looking for further investment growth or security with your fund?
- ☐ Are you willing to accept the risk that the value of your ARF/vested PRSA could decrease over time due to income withdrawals and low growth rate?
- ☐ How much you want to pass on to your dependants/family?
- ☐ Your current state of health - this is important for retirement planning.



Irish Life – strength and experience

Established in Ireland in 1939, Irish Life is now part of the Great-West Lifeco group of companies, one of the world's leading life assurance organizations.

Irish Life has over 1 million customers and is Ireland's leading pension provider. We provide pensions to the Irish employees of over 3,000 companies, state bodies and unions.

Irish Life Investment Managers (ILIM) is Ireland's biggest and most successful fund manager. ILIM currently manages €38 billion for private investors and leading Irish and international companies.

Established in Ireland in 1939, Irish Life is now part of the Great-West Lifeco group of companies, one of the world's leading life assurance organizations.

Information correct as of June 2014.

For the latest information, please see www.irishlife.ie.

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

We advise that you seek specialist pension advice as the information given is a guideline only and does not take into account your personal circumstances.

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Information is correct as of June 2014 unless stated otherwise but can change afterwards.

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