

# The **New** You

**retire.** reboot. relaunch.

Your guide to launching  
a more rewarding retirement.



**Standard Life**

A man and a woman are jogging in a park. The woman is in the foreground, wearing a dark blue zip-up jacket and dark pants, smiling as she runs. The man is slightly behind her, wearing a blue long-sleeved shirt and light-colored pants, also smiling. They are running on a grassy path with trees in the background. The lighting suggests it's a bright, sunny day.

## New thinking about retirement

Today's retirees expect to be much more active than previous generations. And that's not surprising since you can look forward to enjoying two to three decades of life after work – which, of course, is great news!

Retirement shouldn't be when things stop; it should be an exhilarating new start. But to make that happen, you need to have a plan. This guide takes you through what you need to do at each stage of the journey by helping you work out the goals for the next phase of your life. Armed with this, you can look forward to the future with confidence.

# Contents

3

## **Planning the New You**

Paddy Stapleton, a retirement life coach, talks about the transition to retirement, looking beyond financial considerations to the mind, body and spirit.

7

## **Healthy You**

Key health takeaways from Dr. Ciara Kelly on preparing for and maintaining good health in retirement.

9

## **My New View: real life retirement stories**

Different insights into their retirement experiences from customers John Kielty, Ann Governey and Katherine Condren

16

## **Life-changing events**

Five events that could have a major impact on your plans for retirement.

17

## **Retirement countdown action plan**

Action plans for 10, 5 and 1 year to go.

26

## **How we can help**

A guide to your retirement income options including the big annuity versus approved retirement fund decision.



The 2016 census highlighted that Irish people are living longer. Since 2011 the population of people aged 65 or over increased by 19.1%.<sup>1</sup> The population of those aged 85 or over increased by 15.6%.<sup>1</sup>



Of those who are not retired, over half are concerned about their finances, over a third (39%) are concerned that their physical health will deteriorate and just under a third (29%) are concerned about the lifestyle adjustment.<sup>2</sup>

Just under a third (31%) expect to retire at age 65 or younger while one in ten (10%) expect to retire at age 70 or older.<sup>4</sup>



Average expected retirement age is 65.3.<sup>3</sup>



# Big numbers. Big opportunity.



We no longer stop working and put our feet up. Today's retirees may be working later and living longer but they're also more active and retire on their own terms...

1. [www.cso.ie](http://www.cso.ie). 2. Research plus, independent online survey of 1,000 adults July 2015. 3, 4, 5, 6. Research plus, independent online survey of 1,000 adults October 2014.

7. Source Standard Life actuarial estimate based on a level pension in retirement for a person aged 35 retiring at 65. This percentage increases for older ages.

8. Office for National Statistics Research, UK 9. [www.volunteer.ie](http://www.volunteer.ie) 10, 11, 12. NEIL Memory Research Unit, Trinity. [www.tcd.ie/neuroscience/neil/research/memory](http://www.tcd.ie/neuroscience/neil/research/memory)





Only 3% expect to retire before they reach 60.<sup>5</sup>



58% of the 55-64 age group are looking forward to retirement while three in four of those retired are already enjoying it.<sup>6</sup>



Actuaries estimate you need to put away about 26% of your annual salary to get half of your final salary in retirement.<sup>7</sup>



In retirement you will have 2,000 extra hours a year to do something you want to do.<sup>8</sup>



There are 1,440 minutes in every day. Spend at least 30 of them doing some kind of physical activity!<sup>10</sup>

#### Did you know?

Physical activity and exercise are particularly important for your brain health. Studies show that the more aerobically fit you are, the healthier your brain becomes. Brainpower is boosted and stimulated by physical activity.<sup>11</sup>

#### Staying active can help you to:<sup>12</sup>

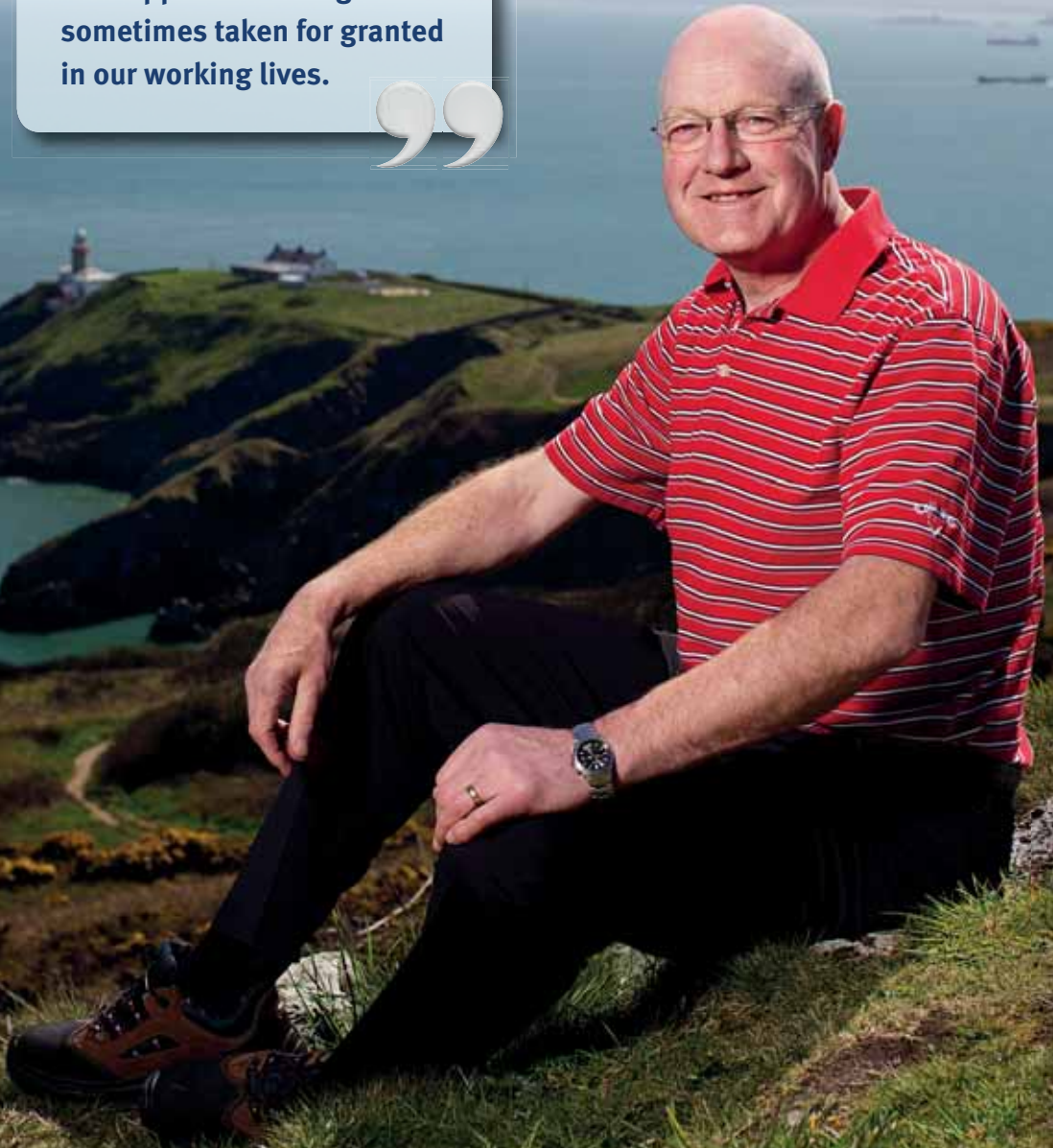
- Remain independent as you age
- Have more energy to do the things you want to do
- Improve your balance
- Prevent or delay some diseases
- Pick up your mood and reduce depression
- Sleep better
- Enjoy yourself and have fun!



In 2016 over 14,800 volunteers engaged with Volunteer Ireland, clocking up an incredible 490,000 hours of volunteering.<sup>9</sup>

# Planning the New You

“Work itself, training and development, friendship and the support of colleagues are sometimes taken for granted in our working lives.”



Photographed at Howth, Co. Dublin

# “ Don't simply retire from something; have something to retire to. ”

Meet Paddy Stapleton, a retirement life coach who is married to Anne and a father of three sons. A keen Gaelic games and rugby supporter, Paddy plays golf and is actively involved in charity work. Having recently retired, he has combined his coaching and personal experience of retirement to share some of his pearls of wisdom...

## Transition

Retirement ends the main part of your working life and marks the beginning of a new phase. It is a period of great transition where you can enjoy the freedom to pursue different opportunities.

The first phase of the transition marks the end of your main career, key pillars of which may have been purpose, identity and belonging. These elements have helped you grow and enjoy a full and sustainable career. The next phase will entail a period of reflection and coming to terms with your new-found freedom.

In the final phase, you can look forward and embrace the opportunity to live life on your terms. A critical success factor is to determine your dream, plan it and then live it.

## How I prepared for the big change

Two years before my retirement I focused on what a fulfilling and happy retirement would look and feel like. I took time to 'document' my dream for my retirement years and focus on the ideal scenario for me. I considered family, health, travel, work (paid and voluntary), hobbies (existing and new),

finance, relationships (including new friends) and spiritual matters.

I found writing down my dreams both informative and inspiring. I got a lot from discussing my thoughts with my wife and a life coach who challenged and supported me along the way.

## My three-part approach

As I approached retirement, I focused my preparations on three dimensions: mind, body and spirit.

### 1. The mental dimension

#### *(a) Have a purpose*

With a fair wind your retirement could be as long as an average career. I found it very useful to have some goals and plans in place. This helps avoid the very real risk of drifting from day to day and feeling isolated. I am doing both paid and voluntary work. This gives me an opportunity to give something back to society while boosting my self-esteem and helping me feel more relevant. I found it helpful to decide on how to divide my week between paid and voluntary work, this has turned out to be two days paid and a half day voluntary.

#### *(b) Don't define yourself by your job*

It's important not to allow the scope of your previous job limit what you aspire to. By reflecting on my interests and skills I discovered I had much more to offer than was required of me in my job.

### ***(c) Beware of limiting beliefs***

As I approached retirement I realised I had some limiting beliefs. For example, I thought I was too old to learn, I only knew what I did in my job and taking on something new would only create stress for me and my family. In reality, employers highly value capabilities which have been fine-tuned as a result of life's experiences for example interpersonal skills. I was able to turn my self-limiting misconceptions into empowering beliefs.

### ***(d) Be proactive***

The key to building a new structure in life is to be proactive.

Work itself, training and development, friendship and the support of colleagues are sometimes taken for granted in our working lives. I discovered that this all changes when you leave work. I needed to actively pursue my work interests, new friendships and new hobbies.

More than 2,000 hours are spent working on an annual basis. This presents a glorious opportunity to make the most of all the possibilities you dreamed of and so avoiding the risk of anxiety and boredom.

**It also helped me create my new identity..... THE NEW ME.**

## **2. The physical dimension**

### ***(a) Look after your health and well-being***

Health is a critical factor at any stage but even more so with advancing years. In my experience, we're not always as diligent as we should be in this area. People tell me that they have a medical once a year but in reality it can be two years or more since their last check-up. Likewise they list a number of hobbies that may have long since

elapsed. I really benefit from a 40 minute early morning walk in terms of being alive and alert for the day ahead.

I also find engaging with positive-minded people very beneficial whereas those with a negative mindset have the opposite effect.

### ***(b) Manage your finances***

Finance is an area ignored at our peril. Long-term planning allows you to consider expenses such as home improvements, car replacement, holidays, and weddings. It also helps to think about an emergency fund for the 'rainy day'. I strongly advise that you seek professional advice on managing your finances as you approach retirement.

Sharing plans and managing your family's expectations is key. They benefit from knowing you have your own independent you won't be a burden on them in the future.

### ***(c) Be sensitive to boundary management***

A new relationship with your partner is inevitable. You'll need to adjust your previous routine including physical space in the house, sharing of tasks, time spent together and spent apart, pursuing your own hobbies and friendships. Having an early conversation to understand your partner's perspective and agreeing various boundaries is important. In my experience, having separate interests and hobbies makes life more interesting and reduces the risk of dependency.

### ***(d) Be open to new opportunities***

There are many exciting opportunities open to you now that you're no longer working full time. I travelled to the southern hemisphere for the first time, took on Apple technology and trained to be a coaching supervisor.



Learning in a classroom environment and taking up hobbies have a strong social aspect which helps to fill the friendship void when you leave your work community.

### 3. The spiritual dimension

I ask myself two questions when I focus on my spiritual life:

- When do I spend time in quiet reflection?
- Am I more compassionate and supportive of my community at home and abroad?

This area is personal to each individual.

Making a difference to people you come in contact with in a real and compassionate manner and particularly helping the less well-off is very gratifying. I did voluntary work in Ghana, West Africa, periodically over a four year period, helping with the construction of new schools. This proved to be a life-changing experience for me.

I find it enriching to have a positive plan for each day and to reflect on their positive outcomes.

I also find it worthwhile to reflect on how I might 'be' different and better in addition to 'doing' different things. This includes listening more, in order to understand rather than to judge, being more patient and empathetic and being less critical of myself and others.

I ask myself, 'What will my legacy be?'

### Getting the balance right

There are many things to consider when identifying your way forward in retirement and maintaining a balance between them is important.

To kick start your thinking, I advise completing the Wheel of Life (opposite).

Look forward to your ideal retirement scenario in say 3 to 5 years and 'document' it. Under each heading, ask yourself 'why' as part of the exercise. This can help to identify your motivation and clarify your thoughts. Specifically, list your aspiration and plan to achieve that aspiration for each area.

This is the first practical step in mapping your new future and will help you take more control of life's key areas.

Communication is important. It's important to share the outcomes with key people in your life; it keeps them informed and helps to manage their expectations in a proactive manner. A life coach can be helpful in challenging your thoughts.


I also find it very useful to review my progress at regular intervals by scoring each component (out of 10) of the Wheel of Life. It is important to map out your actions with appropriate timelines.

Frequent and thoughtful use of the Wheel of Life will prove to be a vehicle to realising the New You.

Best of luck.



*The Wheel of Life*

A woman with brown hair, wearing a beige dress and a red stethoscope, is sitting in an office. In the background, there is a computer monitor and a keyboard on a desk. A quote bubble is overlaid on the right side of the image.

**Your real wealth is your health. Invest in it and it will pay you back in spades.**

# “Invest in your health now to reap the rewards in later life.”

With an aging population and people living till they are so much older these days, how your health impacts on your retirement is very important. Being in the best physical and mental shape you can be makes all the difference in your later years. Looking after yourself now will enable you to reap the rewards when retirement time eventually comes around.

## Staying physically active in retirement

Certain things are very important. For example, maintaining a healthy body weight is a goal we all should set. Physical activity is also vital to a happy, healthy and fully functioning life well past your working years.

Central obesity or what's termed 'middle aged spread' is very closely linked to heart disease, which is the number one killer in Ireland. You can greatly reduce your risk of exposure to this disease by keeping your cholesterol low and if you smoke, stop right now... today!

## Get up, get out there and get mobile

Obesity also increases your risk of almost all cancers, so maintaining a healthy weight is a key to longevity. Osteoarthritis is accelerated enormously by carrying extra weight and adding extra pressure to the joints. This results in chronic pain, often in the hips and knees and causes immobility – as even walking a short distance becomes difficult. So try to preserve mobility in your later years with a healthy mix of long walks and short strolls.

As well as helping to prevent these issues from arising, physical activity has huge additional benefits for your peace of mind.

Choose weight bearing exercise such as walking, golf or jogging to keep your weight down and prevent osteoporosis. These activities should be combined with a diet rich in calcium and vitamin D for optimum bone health.

## A fulfilling retirement is a state of mind

Mental activity is the other vital component of a rewarding retirement. It's like keeping any other part of you active – use it or lose it. Brainpower used doing crosswords, reading books or newspapers and playing games of strategy, such as bridge or chess, protects you against Alzheimer's disease, which is on the rise as we live longer. Keeping your mind sharp will also help to reduce the risk of dementia.

Socialise! Ageing can be isolating. Many of us will lose friends along the way and we can feel our horizons and our social outlets narrowing. It's easy to get lonely, which is hard on our mental health. So try to develop a new routine. Do things that stimulate you and help you engage with your community. Think of retirement as an opportunity to develop an interest you've always had by joining a club or simply heading out for the odd walk. Arrange to meet people – old friends and new – to make sure you don't end up feeling cut off. Retirement is an exciting new chapter – make it work for you.

Ageing can be liberating. We move beyond the constraints of youth. Our families are launched and generally we are under less financial strain than we were in the early years. But your real wealth is your health. Be proactive about it. Look after it. Invest in it and it'll pay you back in spades.

# My New View

How John KIELTY, Ireland's over 60s squash champion is looking at retirement

“Get saving, get some decent advice and look forward to it!”



Photographed at Sligo Squash Club



“I’m doing everything I used to when I was younger - just at a slower pace.”

### **How are you spending your time now?**

I cycle, swim, run or play squash roughly five days a week. I also work about one day a week, mind four grandchildren two days a week, travel around the world playing squash and have an active and enjoyable social life.

I’m doing everything I used to when I was younger – just at a slower pace.

### **Are you fully retired?**

I sold my business a few years ago and I absolutely love being retired. However, as I mentioned I’m probably not fully retired as I still work one day a week.

### **Are you a spender or a saver?**

I started working at 14. I’ve been a saver all my life – even if it was only a shilling per week at the beginning.

### **When did you start putting money away into a pension?**

When I opened my first business at 29 the very first thing I did was start a pension plan. Even when things were bad, I always saved a few quid into it from the business. My retirement was definitely planned for – I don’t think it’s something which should be left to chance. I received some very good advice which resulted in my wife and I

having two pension policies which kicked in at 60 and we have two further pension plans to look forward to which will pay out from my 65th birthday. Whatever happens this money keeps paying out until I die – which is very reassuring.

### **What are the biggest ‘learns’ for you about saving for your retirement?**

My top learns on retirement saving are: start saving early even if it’s only a small amount, the earlier the better. Some people are a bit arrogant about retirement saving, they think it’ll be all fine ‘on the day’ and they keep putting it off. That’s a disaster because the longer you delay it – the more you’ll have to pay in.

### **Are you one of the first generation of funky, active retirees?**

My grandchildren think so – they call me John. I bring them to school, the beach, play football with them etc. I’m healthy, fit and having a ball in retirement. I feel very lucky and the thing is, I’m not the only one. There are lots of people like me who are fortunate enough to be able to enjoy a great life in retirement. Get saving, get some decent advice and look forward to it!

# My New View

A single-minded view of how to make the most of all that retirement offers



**Use AVCs to save for your tax-free lump sum and to bump up your pension pot. They're probably the best-kept secret of pensions.**

# “ Retirement should be planned for - it shouldn't just happen. ”

Ann Governey is 65 years old. She worked in a senior sales capacity for the past 28 years and continues to work part-time for a household corporate name. Originally from Carlow, she now lives in Donnybrook and is single with no dependents.

## **When you think about your retirement – what does that mean for you?**

Retirement should be planned for – it shouldn't just happen. I joined a golf club ten years ago so I would be able to play a decent game in retirement. I have more time for friends, family, learning, developing my mind and plenty of time for more fun too!

## **When did you start saving and planning for retirement?**

I was in my mid 30's – I started saving using AVCs when I was in my early forties. I would have started sooner if it had been possible. I have always been a saver and grew up in a household where saving money was the norm.

## **How diversified are your investments?**

I've a good chunk on deposit with An Post, Prize Bonds, art, antiques, silver and a big chunk of money in AVCs in lower risk type funds. The big lesson from the financial crisis is having your investments well spread out, not just shares and property.

## **Are you a conservative investor or more of a risk taker?**

I'm conservative – I'm more of a lower risk type of investor. I lost money on bank shares – but not too much. I wasn't tempted during the tiger years by properties. It was a real gut feeling and I stuck with it.

## **What are the biggest 'learns' for you about saving for your retirement?**

Start early, save small and then increase to a larger amount. Try to avoid being stressed out in later life feeling you have to save loads... I saved a lot as I approached 65.

Use AVCs to save for your tax-free lump sum and to bump up your pension pot. They're probably the best-kept secret of pensions.

I would advise people not to be afraid to ask questions, research widely, talk to family and friends and get good professional advice.

Check your savings and pensions statements every year to see whether you're on track for retirement. I was forever doing the numbers on my pension pot.

## **On working in retirement...**

I didn't expect to be working and earning after 65 but am absolutely thrilled to be doing three days per week – I really love it.

## My New View

Katherine Condren is a self-employed  
orthodontist in her 50s living in Dublin





“ I see retirement as a continuation of my current life but with more time, choices and fun. ”

Katherine Condren is a self-employed orthodontist in her 50s living in Dublin. She's married with two teenage children and her husband works in the business with her.

### **What does retirement mean for you?**

My retirement is probably going to be quite different to generations before me. I'm not going to just 'down tools' and stop working. I can work fewer days per week and really enjoy myself too. I'd like to try parasailing above the sea or learn how to fly a plane. I've already been white water rafting but would like to spend more time with my friends and grown up children. I plan to travel to cities I've wanted to visit for years, maybe fly in a hot air balloon and climb the Andes again. I want to do lots of things, not just in retirement but now too. I see retirement as a continuation of my current life but with more time, choices and fun. It's important for me not to be stressed about money. I don't need a fortune but I want to be comfortable and maintain my current standard of living. I also understand the importance of staying healthy and fit in retirement so I can enjoy it fully.

### **When did you start saving and planning for retirement?**

Thankfully my father taught me the importance of saving for a rainy day and I've always saved from the time I started working. As soon as I qualified the plan was to buy a house and start a pension. The latter was particularly important as I was self-employed and didn't have a company

pension. I did that, which has really paid off because recently I started to worry about whether I had saved enough for my retirement. Thankfully, when I checked in with a financial adviser and started adding up all the different investments and policies I had bought over the years, I discovered my husband and I were pretty much on track. We learned we could save more to try to maximise the 25% tax free lump sum (of our individual pension pots' final value we're allowed on retirement day) - so we're doing that.

### **What are the biggest 'learns' for you about saving for your retirement?**

- Start early and avoid being stressed in later life feeling you have lots of catch-up saving to do.
- Remember if you're married or in a stable long term relationship and both working, you can split the pension saving needed between you. Sharing the saving 'load' by both people contributing to a pension over a reasonably long period makes it much easier and more 'do-able'.
- Looking back I wish I had educated myself earlier about pension products, how the tax relief works, how much I needed to save, the 25% tax free lump sum on retirement etc. Thankfully I put money aside early on but maybe I could have gone about it more intelligently and knowledgeably.

“ I was delighted to learn that I can access my pension plan in my sixties, continue to work and still save tax efficiently into a pension.”

- I was delighted to learn that I can access my pension plan in my sixties, continue to work and still save tax efficiently into a pension. That means my pension is not being depleted the minute I retire. I didn't know that until recently and its very valuable information.
- The 25% tax free lump sum I can have on retirement is fantastic and I'm keen to make good use of it.
- Don't have all your eggs in one basket. It's important to be diversified and own different types of investments.

### **Are you a conservative investor or more of a risk taker?**

I'm a reasonably conservative investor. I'm not tempted by get-rich-quick schemes, they probably involve risks I might neither understand nor be comfortable with. I've saved all my life into lots of different policies and funds but nothing too 'mad'. I need to sleep at night and know my years of hard-earned savings can't evaporate overnight. I know I have to take some risk to make money but I'm more of a low to medium risk investor.

### **How diversified are your investments?**

I've money in different pots. The most important thing I've learned over the years is not to have all your investment 'eggs' in the one basket. I have a certain amount on deposit, I own a With Profits policy, some equity and bond funds etc.

### **What are you looking forward to about retirement?**

I remember asking my mother what was the happiest time in her life. She told me it was in her 60s. The mortgage was paid off, she wasn't afraid the roof would blow off and have no money to fix it. The children were reared and educated. She had a few extra quid and could relax and enjoy her life more.

I'm looking forward to that too. I plan to be fit, healthy, active, keep working, saving, enjoy myself and relax more.

I'd like to do something special with some of the tax free lump sum. For example, some really nice home renovations, maybe a big family holiday, have a party, buy a car, maybe all four if things go well!

## Life-changing events

The best-laid plans don't always turn out as we'd hoped, and even retirement isn't free from surprises. All kinds of things can happen, and some of them may mean changing your plans – but you always have options...



**Inheritance.** Windfalls such as inheritances are difficult to plan for, but if you receive one they can significantly boost the quality of your retirement.



**Divorce.** Apart from the emotional upheaval, divorce can be expensive, and can eat into the financial reserves you've built up. The family home and a pension are often the two largest assets affected by divorce. There are several ways to split or share a pension.



**Ill health.** A serious illness may in some cases mean that you can begin to take your pension earlier than expected. Of course, this also means your fund has had less time to build up. It's a good idea to talk your financial adviser to discuss your options and what you and your partner think is best.



**Redundancy.** This is not exactly what you're hoping for as you near retirement age – or is it? If you have other sources of earned income, you may decide to retire now, living on your redundancy payment and continuing to contribute to your pension pot.



**Self-employment.** If you're self-employed, over 60 and find that full-time work is starting to dry up, you may want to consider drawing down part of your pension early. This flexibility in your working life can really work to your advantage when it comes to phasing in your retirement.



## 10 years to go...

**Retirement may be some time away but don't think it's too early to start planning. There's no need to worry at this early stage, you've still got time to make changes that could significantly boost your income.**

### • Check you're on target

About 10 years before you retire, track down all your pensions and ask for your projected retirement funds. At [www.pensionsauthority.ie/en/Calculators/Pensions\\_Calculator/](http://www.pensionsauthority.ie/en/Calculators/Pensions_Calculator/) you'll find a pension calculator that will help you work out what you need to be putting away to give you the retirement income you want.

### • Consider consolidation

Bringing together all of your pension pots can make it easier to manage your retirement savings. It might also give you access to a broader range of investment choices.

Consider taking advice, though. Some pensions, such as Defined Benefit schemes, may have generous benefits which may be better left untouched. There may be charges for moving a pension and there's no guarantee that your investment at retirement will be worth more if you move it.

### • Pump up your pension contributions

Now's the time to really bolster your pension. Making the most of the tax benefits means more money in your pocket. There are a number of important tax benefits on offer:

For every €100 invested, it would currently cost you just €60, assuming you pay tax at 40%.

€60	+ €40	= €100
Cost to you	Cost to taxman	Contribution

And the more you contribute, the more tax relief you could get. So if you want to contribute €500 per month it could cost you as little as €300.

€300	+ €200	= €500
Cost to you	Cost to taxman	Contribution





Tax issues, pension rules and legislation can often be difficult for the average person to understand. It can really help to take independent financial advice so you make the right decisions at all times.

- **Don't just think pension**

Using other savings and investment products to save for your retirement gives flexibility around accessing your money and allows you to benefit from further tax breaks.

- **Accessing your pension**

Although you may still be 10 years away from retirement, think about how you would like to take income from your pension fund, as this can affect your investment strategy. You can opt either for an annuity, which pays you an income guaranteed for life, an approved retirement fund, which leaves your pension fund invested but allows you to decide your level of income each year, or choose a combination of the two.

You can usually take up to 25% of your pension as a lump sum to do with what you please.

- **Review your asset mix**

As you get closer to your retirement date it's very important you review the different asset classes in which your pension fund is invested. Before making any decision you should consider various factors such as your attitude to risk and how you will access your pension.

## **Find out more**

For further information about pensions and taking income in retirement, speak to your financial adviser or talk to us directly on **(01) 639 7000**.

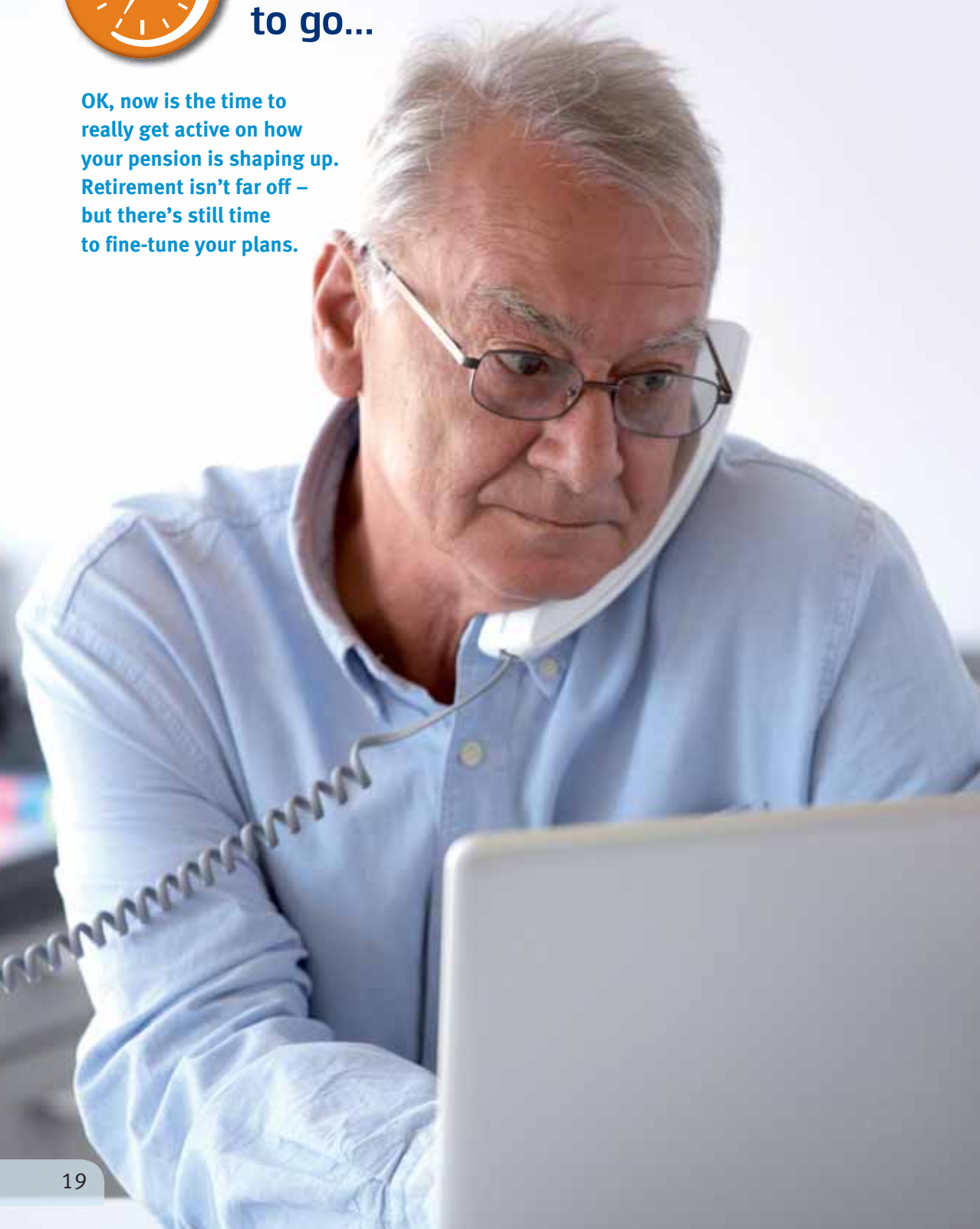
Be sure to check out our "Your Retirement" section on [www.standardlife.ie/yourretirement](http://www.standardlife.ie/yourretirement) for more information on planning your retirement finances





## 5 years to go...

OK, now is the time to really get active on how your pension is shaping up. Retirement isn't far off – but there's still time to fine-tune your plans.



## • Find out if you're on track

Getting an idea of the income you can expect in retirement will help you make key decisions such as exactly when you'll retire and take your pension, and how you access it. Firstly, request your projected retirement income from your personal and company pension providers. Also, take into account any other savings and investments you've built up, because these can really supplement your income in retirement.

## • Draw up your budget

Your spending habits change in retirement as you shift from a working lifestyle to one of leisure. Your pension income is likely to be less than your salary, but outgoings such as mortgage repayments and the cost of commuting are likely to be replaced with expenditure on holidays and hobbies. Of course, those are flexible expenses, but do check that your retirement spending is in line with your projected retirement income. If there's a shortfall, it's still not too late to boost your pension pot.

## • Boost your prospects

Don't panic! There's still plenty of time to increase your pension contributions and benefit from the tax relief they'll receive. You could also consider delaying retirement, giving your pension pot the chance to grow more.

At [www.pensionsauthority.ie/en/Calculators/Pensions\\_Calculator/](http://www.pensionsauthority.ie/en/Calculators/Pensions_Calculator/) you'll find a pension calculator that will help you work out what you need to be putting away to give you the retirement income you want.

## • Annuity or approved retirement fund?

Think about how you want to take income in retirement. An annuity will pay you an income guaranteed for life while an approved retirement fund (ARF) allows you to leave your pension invested and adjust your income to suit your needs.

Remember that different investment options have different levels of risk. We recommend that you get financial advice to help you decide what's right for you.

## • Think about your inheritance planning

Approved retirement funds can be a tax efficient way of passing assets on to your next of kin on death. A little forward planning can significantly reduce the amount the taxman takes later on.

## • Review your asset mix

As you get closer to your retirement date it's very important you review the different asset classes in which your pension fund is invested. Before making any decision you should consider various factors such as your attitude to risk and how you will access your pension.

## Find out more

For further information about pensions and taking income in retirement, speak to your financial adviser or talk to us directly on **(01) 639 7000**.

Be sure to check out our "Your Retirement" section on [www.standardlife.ie/yourretirement](http://www.standardlife.ie/yourretirement) for more information on planning your retirement finances







## 1 year to go or less...

This is it – at this point, you'll need to be fully engaged with how your pension will start financing your future life.





## • Get an up-to-date pension forecast

Contact your pension provider(s) for an up-to-the-minute forecast of your funds at retirement plus your tax-free lump sum entitlement. You should also contact the Department Of Social Protection regarding your contributory state pension entitlement 3 months before the age of 66.

Think, too, about other sources of income. This could come from investments, property or land, part-time employment or consultancy, or an inheritance. Having as full a picture as possible will help you make final decisions about exactly how you want to take your pension income, and make more accurate plans for the New You.

## • Choose how to take an income

The traditional path to income in retirement is to trade in your pension pot for a guaranteed annuity for life. However you may be able to purchase an approved (minimum) retirement fund (ARF/AMRF) which allows you decide the level of income you wish to draw in any particular year.

This allows you to take an income from your pension fund but leave the remaining pot invested. You will need to have regular reviews to ensure your fund can sustain the level of income you are taking. There may be charges for accessing your fund.

## • Design your annuity

If you choose the annuity route, you have a range of options including escalating payments, guarantees and a pension for your partner or adult dependant if you die.

Adding these options will reduce the amount you receive initially, but it might provide you with greater peace of mind in the long run.

Your annuity will determine your income for the rest of your life, so make sure you get the best value you possibly can.

## • Delaying retirement

If you intend to carry on working, or your retirement savings aren't quite on track, you may be able to delay taking your pension. Typically, left untouched, your pension fund will remain invested and you could also help to boost it with additional contributions. On top of this, as annuity rates increase with age, you may benefit from a higher income.

## • Complete the paperwork

When you're about 6 weeks from retirement, you should request a retirement quote from your pension provider. As well as details on the size of your pension pot and what you can expect to receive, they will ask you when and how you want to take income.

If you've decided to take an annuity, you don't have to take the one offered by your pension provider. Instead, shop around to make sure that you get the best value for money. If you'd prefer to go with the approved retirement fund (ARF) option you will need to think about fund choice into the future and what level of income you wish to start taking in year 1.

You'll also need to complete paperwork to receive your State Pension.

Be sure to check out our "Your Retirement" section on [www.standardlife.ie/yourretirement](http://www.standardlife.ie/yourretirement) for more information on planning your retirement finances





As you near retirement, there are a variety of ways to take an income. Which is best for you? If you've been building up money in a pension plan, you can use that money to buy an annuity – a guaranteed taxable income for the rest of your life. You may also be able to purchase an approved retirement fund (ARF) which doesn't provide a guaranteed income but does allow you more flexibility in drawing down your income.

## So what exactly is an annuity?

An annuity converts the money in your pension pot into an income guaranteed for the rest of your life. It can also provide an income for your dependents.

**Typically, you can choose from:**

- **Level annuity**

You're paid the same amount every year. This is the standard annuity.

- **Joint life annuity**

If you accept a lower income while you're alive, you can also choose for your partner to carry on being paid some or all of the income after you die. The more to be paid after your death, the smaller the initial income you receive.

## Why can't I just take all my pension pot as cash?

The Government wants to make sure that your pension generates an income for you

when you retire. This minimises the risk that you'll need to rely on the State in your old age.

## Can I take any cash from my pension pot?

Yes, generally you can take up to 25% of your fund as a lump sum. Any lump sum amounts over €200,000 will be taxable. The amount will depend on what type of pension product you have invested in. You might want to use this to pay off your mortgage, put in a new kitchen or head off on the holiday of a lifetime, for example.

## Is taking all the tax-free amount a good idea?

It might be, but remember your pension is there to provide an income for the rest of your life. The more money you take out as a lump sum, the less you'll have to buy an annuity or an approved retirement fund and so you'll receive less income in retirement.

## What if I die shortly after buying an annuity?

When you buy an annuity, you hand over your entire pension savings to a life company and in return you get the promise of an income for the rest of your life. If you die shortly afterwards, the funds die with you.

But it is possible to buy a joint life annuity, which pays an income to your spouse after you've died. You can also buy a guaranteed annuity, which pays out for a set period of time – say, five years – to your beneficiaries if you die within that period. But the more options you build into your annuity, the less pension income you'll receive.

## Is it true that I can shop around for annuity rates?

Yes it is – your plan will contain an 'open market option', which means you can shop around all providers.

## Isn't it all about finding the best possible rate?

Income is certainly a factor to consider. But the financial strength of a provider, as well as the standard of its customer service, can also be important given that this income could be paid to you for many years.

## I have several pensions, should I consolidate?

This may be a good idea. It's easier and often more cost effective to transfer your pensions into the one pot – because everything is in the one place. First check that you are not giving up any valuable benefits such as a guaranteed annuity rate. There may be charges for moving, and there's no guarantee that your investment will be worth more if you move it.

## What if I want more flexibility?

If you've a personal pension, a PRSA, a fund related to Additional Voluntary Contributions (AVCs) or certain occupational pension arrangements, you could consider an ARF. An ARF allows you to keep your fund invested and decide how much taxable income you wish to withdraw each year.

You must withdraw a minimum of 4% per year from your ARF fund value if you are 60 years of age or over for the full tax year. If you are 70 years of age or over for the full tax year you must withdraw a minimum of 5% per year from your ARF fund. If you have combined ARF and vested PRSA assets of €2million or more, and are age 60 or more for the full tax year, you must withdraw 6%.

To invest in an ARF you must have a guaranteed minimum pension of at least €12,700 a year for life. If this minimum is not in place then €63,500 must be invested in an approved minimum retirement fund (AMRF) or be used to purchase an annuity or a combination of both.

An AMRF is a similar kind of investment to an ARF, but it includes a safety net required by the government to make sure that you are provided for in your retirement.

You can make one voluntary withdrawal of up to 4% of value of AMRF each year.

## What are the downsides to having this flexibility?

Your income is not guaranteed and you need to remain active in managing your investment fund. Obviously the amount of income you can withdraw and for how long you can draw down that income will depend on the performance of the fund and the amount of income you withdraw each year.

## Some of the key differences to consider when comparing an annuity and ARF

Issue	Annuity	ARF
<b>Payable for life</b>	Yes, an annuity offers an income guaranteed payable for life.	An ARF could run out while you're still alive leaving you with no regular income.
<b>Access to income</b>	Certainty of a level of income guaranteed for life, although this certainty means no flexibility.	<p>Doesn't provide an income guaranteed for life but does allow you more flexibility when taking your money from your pension pot. Bear in mind if you take income at too high a rate, it could run out in your lifetime. You must withdraw a minimum of 4% per year from your ARF fund value if you are 60 years of age or over for the full tax year. This increases to 5% from when you are 70 years of age or over for the full tax year.</p> <p>If you have combined ARF and vested PRSA assets of €2million or more, and are age 60 or more for the full tax year, you must withdraw 6%.</p>
<b>Investment growth</b>	No, you are paid an income for the rest of your life – you are locked into an annuity rate.	By leaving your fund invested you can benefit from any investment growth. Bear in mind the value of the fund may fall as well as rise. Remember that different investment options have different levels of risk.
<b>Passing on to dependents</b>	The income stops when you and your partner (if a joint life annuity) die.	You can leave the remaining fund to your dependents, subject to tax.



# How can we help?

Standard Life is a leading provider of long-term savings and investments. We've been in Ireland since 1834 and have helped generations of Irish customers plan for their future.

## Handy online help

You'll make some big decisions over the coming years. We've useful planning tools online to help you meet your retirement goals.

## Staying close to your investments

If you have a Standard Life policy you can keep an eye on the value of it online at [www.standardlife.ie/online](http://www.standardlife.ie/online)

## Risk questionnaire

To know what the right investment choice is for you, you need to consider your personal circumstances and know what level of risk you're comfortable with. In conjunction with experts from Oxford Risk Research and Analysis, we've developed a risk questionnaire to help you find out what your attitude to risk is. You'll find the risk questionnaire at:

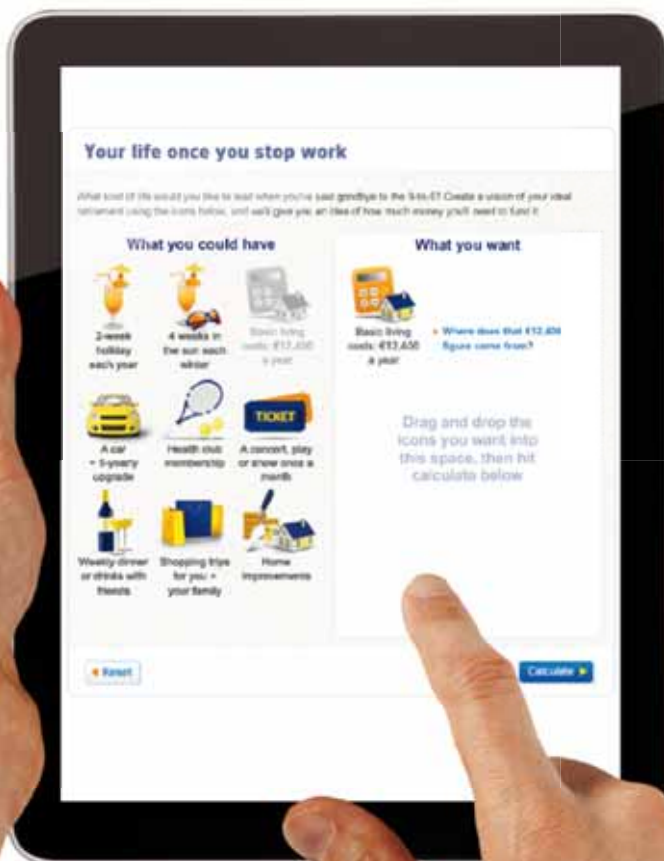
[www.standardlife.ie/risk-questionnaire](http://www.standardlife.ie/risk-questionnaire)

## Having enough money when you retire

Working out how much you're going to need in retirement is vital when estimating whether you're saving enough. This clever tool allows you to drag and drop lifestyle options to give you an idea of what income you'll need for the lifestyle you'd like.

You'll find the Retirement Planner tool at:

[www.standardlife.ie/yourincomeinretirement](http://www.standardlife.ie/yourincomeinretirement)





### • **State Pension**

The State Pension (Contributory) is paid to people who have enough Irish social insurance contributions. You are entitled to this at the age of 66 if born before 1954, aged 67 if born between 1955-1960 and aged 68 from 1961 onwards. It is not means-tested. You can have other income and still get a State Pension (Contributory). This pension is taxable. For more information, contact your local social welfare office.

### • **Household benefits package**

The household benefits package is available if you're over 70 and are resident in the State. In certain circumstances people under age 70 who are also resident in the State can avail of it. Only one person in a household can qualify for the package at any time. The package provides contributions towards:

- your electricity or gas
- and it covers the cost of your television licence each year

### • **Free travel**

A free travel pass is available once you're aged 66 and are living permanently in the State, on a non-means tested basis. A named companion, who may be under age 66, can be included on the card.

### • **Medical card**

A medical card is available to everybody at age 70 on a means tested basis.

\*All information is correct as of June 2017.

### **Important information**

Bear in mind that each person's circumstances are unique and you should always seek appropriate financial advice.

The opinions and comments expressed by contributors in this document are personal and not necessarily those of Standard Life.

This document is intended for the general information of residents of the Republic of Ireland. Nothing in this document constitutes legal, financial or other professional advice and readers should obtain their own professional advice as to the suitability and availability of any featured products or services.

Interviews took place in 2013 and 2014. The information provided is based on our understanding of current law and Revenue practice in June 2017.

**Pensions Savings Investments**

## Find out more

Talk to your financial adviser about how to plan for your future, they'll give you the information you need to get you started. Also, you can call us or visit our website

**(01) 639 7000**

Mon-Fri, 9am to 5pm. Call may be monitored and/or recorded to protect both you and us and help with our training. Call charges will vary.

**www.standardlife.ie**



**facebook.com/StandardLifeIreland**



**youtube.com/StandardLifeIreland**

Standard Life Assurance Limited is authorised by the Prudential Regulation Authority in the UK and is regulated by the Central Bank of Ireland for conduct of business rules. Standard Life Assurance Limited is registered in Dublin, Ireland (905495) at 90 St Stephen's Green, Dublin 2 and Edinburgh, Scotland (SC286833) at Standard Life House, 30 Lothian Road, Edinburgh EH1 2DH.