

National Pensions Survey 2022*



Of those who have a private pension...



67%

are worried they are not saving enough into it



Only 25%

are confident their pension will provide them with a comfortable retirement



Only 37%

said that they know what level of income their pension will give them

People Are Concerned About Their Pension Savings and Need Help to Make Smart Decisions

Our recent Pensions survey has shown that over 2 in 3 pension holders (67%) are worried they are not saving enough, while just a quarter (25%) are confident that their pension will provide them with a comfortable retirement – leading to huge uncertainty surrounding the amount they'll receive when they finish working.

One of the clear challenges at present is the ability of people to understand what they need to do with pensions, with 82% of respondents claiming that their primary ask of their financial advisors is to make retirement planning easier for them to understand. Only 37% of those surveyed knew what income their current pension will give them upon retirement, with just 38% of those who do know what they'll be getting, saying that they are actually happy with the projected amount. It shows a lack of clarity and understanding for many people who are clearly not happy with what their financial situations will be once they stop working.



44%

say they understand how pensions work



37%

say they understand the tax benefits of pension saving



Only 44% say they understand how pensions work and only 37% say they understand the tax benefits of pension saving

Our priority is to improve our customers' financial wellbeing and that means helping them to better understand their longer term finances and what pensions are, why they are important for your future wellbeing and how they work. If people don't understand how pensions work or realise the implications of not having a pension, they just do nothing and therefore they can't look forward to their future retirement with confidence or optimism.



53%

said their future self would advise them now to "start early, save as much as possible for retirement"

Affordability remains a key challenge, with 73% prioritising everyday spending

The survey findings revealed that the current cost of living challenges are front and centre of people's minds, with 73% of people prioritising everyday spending over saving for their financial futures. There are always trade-offs when it comes to long term financial planning and Pensions – making the money that you earn today stretch across your entire life means that you will need to sacrifice some of today's spending for the future you.

So while 8% of people are still intent on living in the here and now and on spending the money they earn, over half of people (53%) would still advise their future selves to start saving as early as possible in order to prepare for a comfortable retirement.

Just 21% of people have ever sought financial advice in relation to their pension

With a general lack of understanding about Pensions and lack of clarity on how much their pension might be, it's no surprise that only 21% have sought help from a financial advisor about their pension. To help people understand more about pensions and what they'll need to do to achieve a comfortable retirement, our free **Pension Pot webinar** series running in September and October can help bridge the knowledge gap about pensions and show how best to fund your future. To register for our free webinar series, go to bankofireland.com/pensions.

Commenting on the survey, Bernard Walsh, Head of Pensions & Investments at Bank of Ireland said:

"Our customers' financial wellbeing is a key priority at Bank of Ireland, and it's completely understandable that many people are currently prioritising their everyday spending. However, our aim is to remind people of the importance of saving for the future, and our advice remains that people should still try to save, if they can afford to, in an effort to ensure they are not storing up more future financial difficulties. Even saving little and often now can make a big difference in the years to come, and the flexibility that pensions provide in allowing people design and adapt them to suit their own needs (coupled with tax benefits) always makes them a smart financial choice. We have over 100 pension advisors who can discuss people's longer term needs over the phone or in our branches, helping them to create a plan that suits their financial wellbeing and lets them sleep at night."



"77% of those surveyed claimed it was important for them to be made aware of the flexible pension options available to them, so there is clearly an appetite there. Our aim with the Pension Pot webinar series is to provide a focus for people in this area, shine a light on options that make sense for them, and outline that investing in a pension is always a smart move no matter how much you can afford to set aside. Everyone's financial wellbeing is dependent on making the right choices to suit their budgets, and the sooner people can start on this journey the better. It's about saving only what you can afford for as long as you can and using the pensions tax advantages to make it easier."

Women and Pensions

Our survey shows that women are less well prepared and less knowledgeable than men when it comes to planning for their future retirement. We see a sizeable difference in response to some of our key survey questions:

- Only **37%** of women claim to have a private pension (versus **49%** men)
- Only **38%** of women say they understand how pensions work (versus **50%** men)
- Only **29%** of women say they understand the tax benefits of pension saving (versus **45%** men)

It's important for everyone to have a plan in place so that their standard of living doesn't fall when they retire. While women generally live longer than men, they are less likely to have adequate income on retirement.

One of the reasons for this is because they often face challenges during their working lives not experienced by men. For example, if you take time away from work (for maternity leave and minding your children or caring for loved ones), this can have a significant impact on your pension savings and ultimately on the type of lifestyle you will be able to afford in retirement. While this pattern is changing with more men taking on the role of carer, the vast majority of women still undertake this role.



Things to consider:

Will your employer still contribute to your pension if you are on **maternity leave**?

If you take extended leave or reduce your working hours, there could be a knock-on effect of **losing out on employer contributions towards your pension**.

If your income is reduced, **saving for your retirement may become less of a priority**.

If you take extended leave or reduce your working hours **will you have enough contributions** to qualify for the full State Pension (Contributory) when you retire?

If you have a pension from a previous employer, **do you know how much it is worth**?

If you are married or have a civil partner do you know **how much income** their pension will provide in retirement?

Find out more:

To learn more about pensions, view our **Pension Pot** webinar recordings and helpful content on our Pensions webpage **www.bankofireland.com/pensions**

*Bank of Ireland/RedC Survey 7 – 14 July 2022

Warning: The value of your investment may go down as well as up.
Warning: If you invest in a pension you may lose some or all of the money you invest.
Warning: If you invest in a pension you will not have access to your money until your retirement date.

National Pensions Survey 2022*



43%
have a private pension

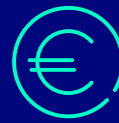


Men **49%**
Women **37%**



44%
say they understand how pensions work

Men **50%** Women **39%**



37%
say they understand the tax benefits of pension saving

Men **45%** Women **29%**

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*Bank of Ireland conducted this nationally representative Retirement Planning survey amongst 1,000 adults (18-65yrs) in Ireland as part of nationwide research across consumers with RedC Research between July 7 - 14 2022.



Bank of Ireland