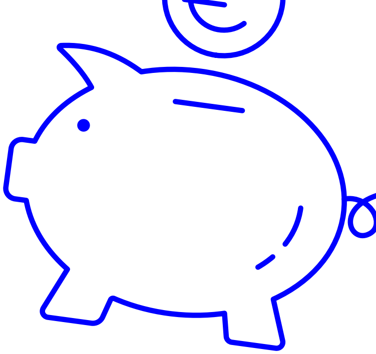
Begin

5 things you need to know about pensions

Bank of Ireland



5 things you need to know about pensions

It's important to start thinking about your options now. This will help you to work out at what age you might want to retire - and how much money you will need once you retire.

1. How do I work out how much I should be saving?

Everyone's situation is different, and it really depends on the type of lifestyle that you want for yourself in retirement, as well as on your own specific circumstances. As a general rule of thumb, you should be aiming for an income in retirement of between 50% and 66% of your final salary.

You can use this handy pension calculator to help you assess your own particular circumstances - **click here**.

Of course, there are things that you may be paying for now that you won't be paying for at retirement, including your mortgage, creche fees, college fees etc., which has the effect of reducing the income you will need in retirement.

2. When is the best time to take out a pension?

It is important to start planning for tomorrow right now. The sooner you start your pension, the more you will contribute and the longer it has to potentially grow. This will make a significant difference to the size of your savings at retirement.

3. Is it too late to start now?

It's never too late to start saving for your future. The amount of money that you can put into your pension and get tax relief on actually increases as you get older. Depending on your age, you can save up to 40%* of your income into your pension, and claim back tax relief at your marginal rate. So even if you're starting your pension late, you still have time to catch up.

*Assumes customer 60 or over. Source: Revenue.ie. It is important to note that tax relief is not automatically guaranteed; you must apply to and satisfy Revenue requirements. Revenue limits, terms and conditions apply.

4. I'm not sure if I can commit to long-term savings?

A pension plan is very flexible. You can usually stop and start when you need to, and increase or decrease your contributions at any time. This is particularly attractive in these current uncertain times.

It is better to start saving into your pension plan now, even if you put in less than you'd like to, or you're not sure if you'll be able to maintain the same level of contributions. Remember, you can usually change how much you save to suit your changing circumstances.

5. What if I change jobs?

Your pension needn't suffer just because you change jobs, but it is worth checking all the numbers. Changing jobs and careers is quite common today.

Whether you are thinking about moving roles within your chosen career path, looking at something completely new or staying at home with the kids, any pension that you have built up over the years with previous employers will continue to be invested and it will be available to you when you retire. You may also be able to move it into a plan in your own name or to a plan with another employer.

Find out more
To meet an Advisor call 01 511 9202†

†Calls may be recorded for service, training, verification and analysis purposes.

Warning:: The value of your pension may go down as well as up.

Warning:: This product may be affected by changes in currency exchange rates.

Warning:: If you invest in this product you may lose some or all of the money you invest.

Warning: If you invest in this product you may not have access to your money until your retirement date.

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