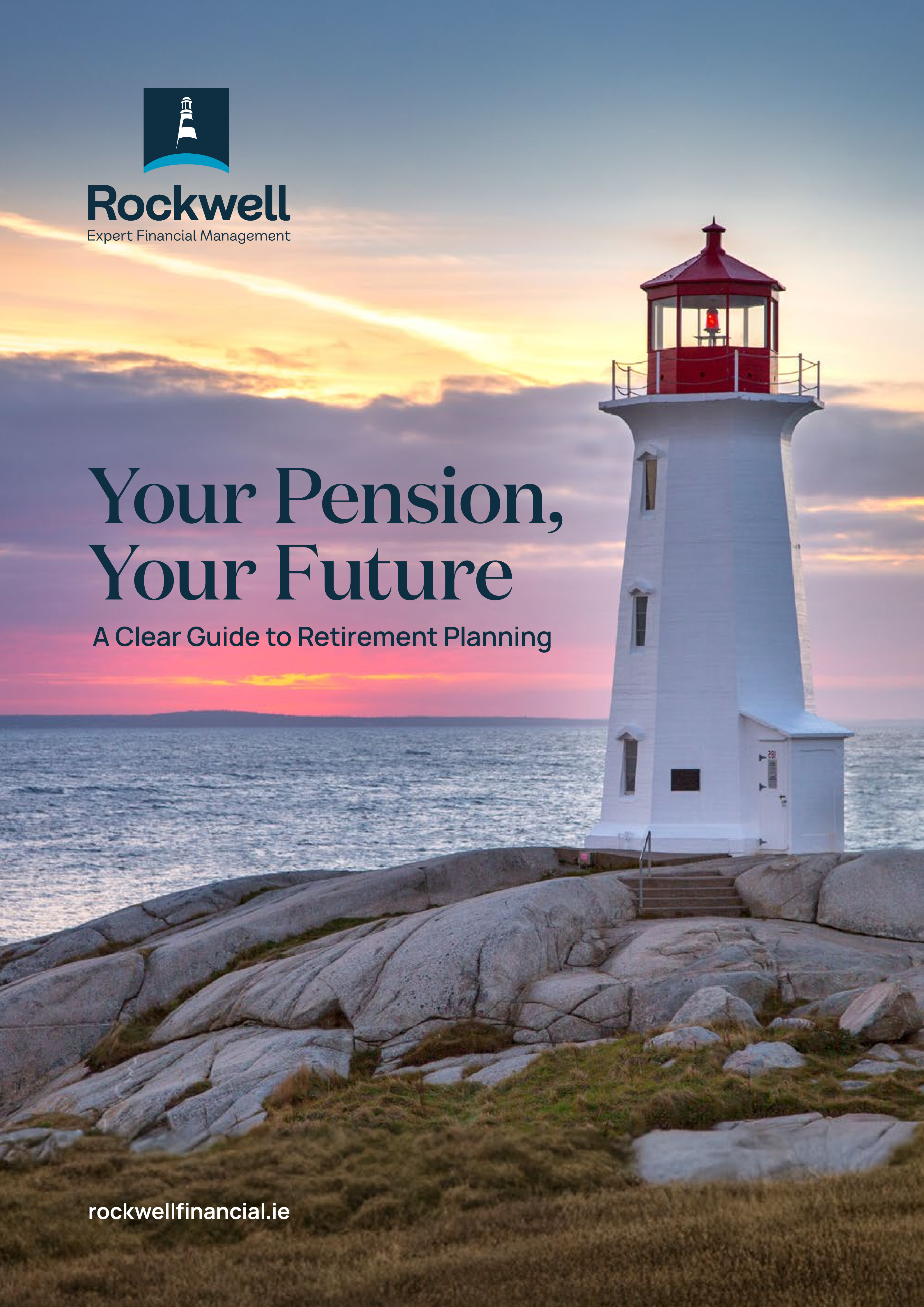
Rockwell
Expert Financial Management

Your Pension, Your Future

A Clear Guide to Retirement Planning



rockwellfinancial.ie


rockwellfinancial.ie

Rockwell

Your Pension, Your Future

A Clear Guide to Retirement Planning

5 Good Reasons to Start a Pension Today!

1. Take Control of Your Future
A private pension gives you independence and financial security in retirement, without having to depend solely on the State pension.

2. Enjoy Significant Tax Relief
Contributions are eligible for tax relief at 20% or 40% depending on your income, making it the most tax-efficient way to save.

3. Start Small, Grow Big
The earlier you start, the less you need to contribute over time thanks to compound growth.

4. Maintain Your Lifestyle
A pension helps you replace your income after retirement, so you can continue to enjoy the things you love.

5. Peace of Mind
Knowing you're preparing for retirement brings confidence and reduces financial stress later in life.

Getting Started

Planning for retirement doesn't need to be overwhelming. This guide breaks it down in a straightforward, jargon-free way. Whether you're just starting out or looking to enhance your existing pension, we'll help you understand the essentials and show you how to take control of your financial future.

Your retirement could last 20 years or more. Without careful planning, you may find that your resources fall short just when you need them most. It's your future, take charge of it now.

Why Pensions Matter?

When you stop working, your regular income stops too, but your expenses won't. A pension is your way of replacing that income so you can enjoy a comfortable, independent retirement.

A survey conducted at the end of last year by the Irish **Competition and Consumer Protection Commission** highlighted a significant pensions coverage gap https://www.ccpc.ie. That's the shortfall between the income people need for retirement and what they're actually saving.

The findings indicate that while 6 in 10 Irish adults have a pension in place, one in five (21%) have made no financial arrangements at all for their retirement. This increases to 28% for workers aged over 55 years of age. The primary reasons for not having a pension include affordability (30%) and 'not getting around to it' (25%) which were cited as the two most significant reasons for not having a pension in place. Older workers are more likely to name affordability as a reason.

Over 50% of adults intend to use savings to fund or partially fund their later years, raising concerns that consumers are not fully cashing in on the tax benefits of investing in a pension plan compared to traditional savings.

Only 39% of consumers are confident that their pension will allow them a good standard of living when they retire, with many consumers uncertain of what to expect. Most consumers (66%) have never had a one-to-one conversation with a financial advisor about retirement.

The State pension, while helpful, is unlikely to be enough on its own. The maximum State Pension (Contributory) rate in 2025 is €289.30, which it may not cover the lifestyle you envision (insert link to citizens information website). Even with rising life expectancies, this amount is more of a safety net than a foundation forlong-term security.

Remember, the State pension is designed to keep people out of poverty, not fund world travel or support a mortgage-free lifestyle. The earlier you start planning, the better your chances of closing the "pension gap".

What is a Pension Plan?

A pension plan is a long-term savings tool designed specifically to provide you with income in retirement. You make regular contributions over time, which are invested to grow your retirement pot. Thanks to government tax incentives, pension plans are one of the most tax-efficient ways to save.

Anyone under 75 can start a plan, whether you're employed full-time, part-time, or self-employed. While employers may offer pension schemes, many are now personal arrangements.

You can make monthly, quarterly, or one-off lump sum contributions. If you're in employment, ask your employer if they offer payroll deduction, and whether they contribute too.

The Tax Advantages

There are three major tax benefits:

1. **Tax relief on contributions**
You can claim relief at your marginal rate (20% or 40%).

2. **Tax-free investment growth**
No tax is paid on gains within your pension fund.

3. **Tax-free lump sum at retirement**
You can take part of your fund tax-free.

Example

The Tax Advantages if you earn enough to pay 40% income tax and you invest €1,000 into your pension,

the real cost to you is only €600 after tax relief. If you pay 20% tax, the net cost is €800. It's a powerful incentive to save.

Tax relief is subject to age-related limits as a percentage of your income:

15%	Under 30
20%	Between 30 - 39
25%	Between 40 - 49
30%	Between 50 - 54
35%	Between 55 - 59
40%	Above 60

Total contributions are also capped for tax relief purposes, currently at **€115,000** of earnings per year (subject to Revenue limits).

For Company Directors:

Tax relief:

Paid by the company and are treated as a fully tax-deductible business expense.

Contribution limits::

PRSA: 100% of salary.

Retail Master Trust: Revenue Max Funding Limits apply. There are lots of variables here and so people max not be eligible for the below, this is just the max.

Age	% of Salary	% of Salary
30	Up to 72%	Up to 67%
40	Up to 108%	Up to 100%
50	Up to 216%	Up to 200%
55	Up to 432%	Up to 400%

How Much Will You Need?

Most people aim to replace about two-thirds of their final salary in retirement. Your target will depend on your lifestyle goals: travel, hobbies, or simply maintaining your current standard of living.

Some expenses (like commuting or workwear) may drop in retirement, while others (like heating or leisure) may rise. Budgeting now will help clarify what you'll actually need.

It helps to visualise:

- → Will you still be paying off a mortgage?
- → Will you want to help your children or grandchildren?
- → Will you travel more?
- → Could you face medical or care costs later in life

A financial advisor can model your income needs and test different scenarios with you.

How Much Should You Contribute?

The sooner you start, the more manageable it becomes. A pension can be one of the biggest financial commitments you make, so it's worth doing right.

As a rule of thumb:

- → Start young = Contribute less.
- → Start later = Contribute more.

Cost of delay:

- → A 25 year old might need to save €300 / month.
- → A 35 year old might need €500 / month.
- → A 45 year old might need €800 / month.

Already have a pension? Great. But check it's on track. A financial advisor can help assess any shortfalls.

Don't forget inflation. By contributing a percentage of your income each year, your contributions can rise as your salary does, helping you keep pace.

And remember, even starting later in life is better than not starting at all. Contributions can be made up until the age of 75, and lump sum top-ups can qualify for tax relief.

Investing Your Pension

Your pension contributions are invested in funds that aim to grow your money over time. These can include shares, bonds, property, and cash.

Risk Levels Vary:

Lower Risk

more stable but potentially slower growth.

Higher Risk

potential for higher growth but with more volatility.

A well-diversified investment strategy can smooth out market ups and downs. You can also tailor your fund selection to suit your age, attitude to risk, and retirement timeline.

Closer to retirement? You may prefer a “lifestyle” strategy that gradually shifts your investments to lower-risk options as you near your chosen retirement age. This can help protect your savings from market shocks late in the journey.

Investment performance isn't guaranteed, and values can go down as well as up. That said, pension funds are generally structured with a long-term outlook, giving them time to recover from short-term volatility.

Pension Transfers

A pension transfer allows you to move the value of an existing pension into a new arrangement, which can sometimes offer greater flexibility, improved investment options, or more suitable benefits for your circumstances.

	Company Pension	PRB	Personal Pension	PRSA	PRSA AVC
Company Pension	Yes	Yes		Yes	AVC Scheme Only
PRB	Yes	Yes			
PRSA	Yes			Yes	
PRSA AVC	Yes				Yes
Personal Pension			Yes	Yes	
Oversea - Non UK	Yes		Yes	Yes	

Frequently Asked Questions

Can I change my contributions?

Yes. Most plans allow flexibility to increase, decrease, pause, or resume payments. Just be aware that reducing or stopping contributions could impact your future income.

Can I switch investment funds?

Yes. You can usually move between funds at any time. This flexibility allows you to adapt as your goals or risk tolerance change.

When can I retire?

You can take private pensions from age 60 (or sometimes earlier in specific cases). The State pension is payable from age 67, rising to 68 in 2028.

What happens if I change jobs?

You can take your pension with you or start a new plan. If your new employer offers contributions, consider taking advantage of them.

What are my options at retirement?

- → Take a portion (up to 25%) as a tax-free lump sum.

Use the remainder to:

- → Buy an annuity (guaranteed income for life), or
- → Invest in an Approved Retirement Fund (ARF), giving flexible withdrawals

What happens to my pension when I die?

With an annuity, you can choose to have payments continue to a spouse. With an ARF, the remaining balance can be passed on (subject to tax).

Will my pension be taxed?

Yes. After any tax-free lump sum, income from annuities or ARFs is subject to income tax, USC, and PRSI (if applicable).

What are the charges?

Charges vary by provider and product. These may include annual management charges and allocation rates. It's important to understand these, as they can affect the value of your fund over time. Your advisor will outline all fees clearly.

Can I monitor my pension?

Yes. Most providers issue regular statements and many offer online access to view fund values and make changes.

Ready to Take The Next Step?

Deciding how and where to save for retirement is one of the most important financial decisions you will ever make. **The choices you make now will have a lasting impact on your income and lifestyle in later years.** With the right advice, you can ensure your pension plan is tailored to your personal circumstances and gives you the best chance of achieving the retirement you want.

Speak to Rockwell today. Our team of experienced advisors can help you build a retirement plan tailored to your life, your goals, and your future.

We'll simplify the options, explain the strategies, and ensure you're making the most of every tax advantage available.

We believe in empowering clients with the knowledge and support they need to make confident, informed choices about their financial wellbeing.

Important Notes

- → Pension tax benefits are subject to Revenue limits and may change.
- → This guide is for general information and does not constitute personal financial advice.
- → Please consult Rockwell Financial Management for advice specific to your circumstances.

Your Pension, Your Future

A Clear Guide to Retirement Planning

Ready to get started?

Call the Financial Experts **01 296 6120**

Rockwell
Expert Financial Management

Address
103 Francis Street,
Dublin 8,
D08 Y70F

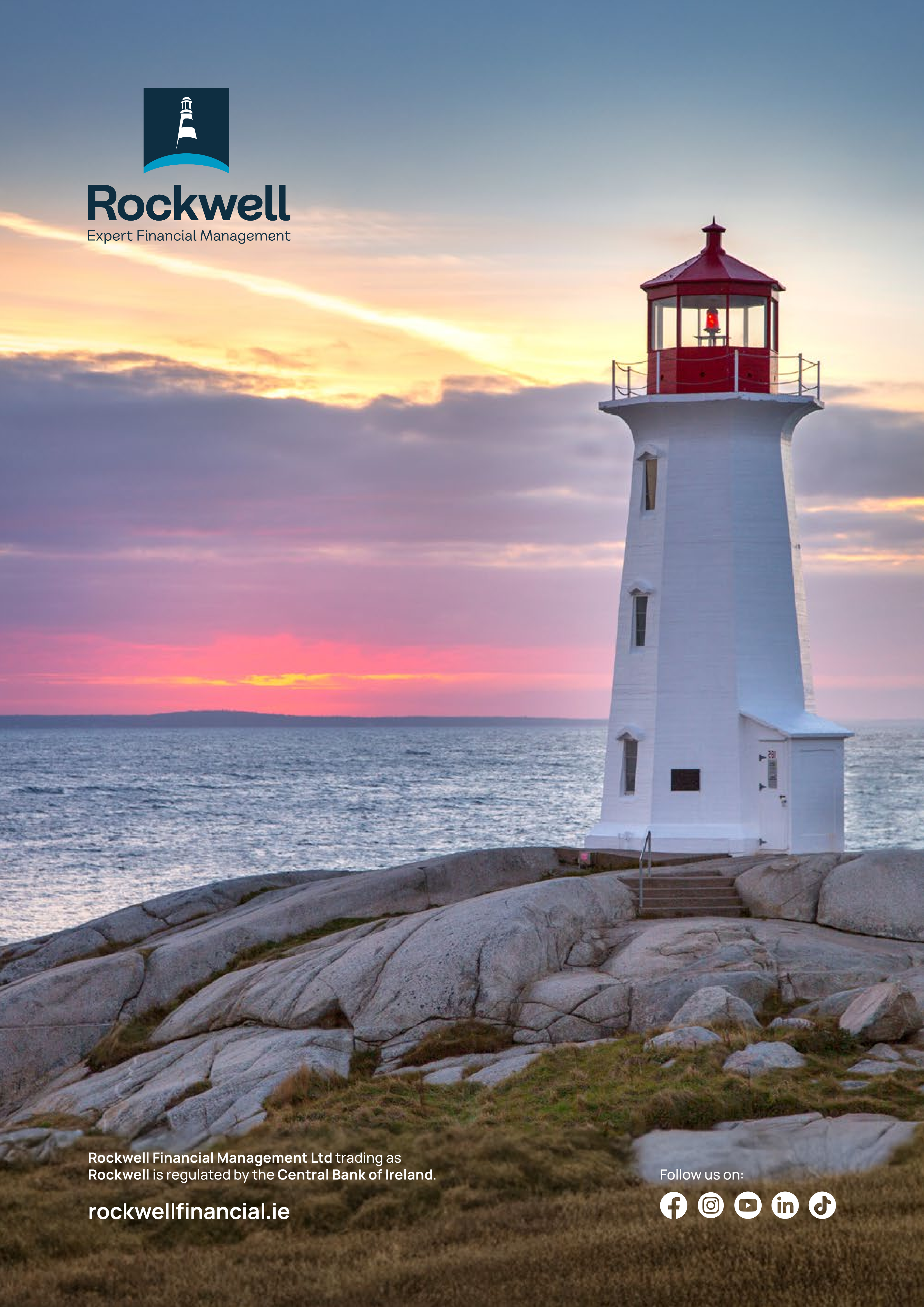
Office Telephone Number
01 296 6120

Email Address
hello@rockwellfinancial.ie

Website
www.rockwellfinancial.ie

Director
Robert Whelan

rockwellfinancial.ie



Rockwell
Expert Financial Management

Rockwell Financial Management Ltd trading as **Rockwell** is regulated by the **Central Bank of Ireland**.

rockwellfinancial.ie

Follow us on: