



AIB



Planning for your retirement in your 40's

Pension products are provided by Irish Life Assurance plc.



This is Patrick. He's married to Grace and they have four teenage children. Patrick is 48 and is an IT Consultant. Grace has recently returned to the workforce and started a new pension plan. At the moment the biggest strain on Patrick's pocket are second and third level fees. He started paying into a pension a few years ago but has forgotten about it since.

What to do if you're 40-something

TIME FOR ACTION

If you haven't started a pension, now is the time to get serious. You can expect to be spending as many years if not more in retirement as you have left in work. By starting your pension today, you still have the opportunity to get income tax relief and have the time to build up an adequate pension plan.

For those of you with a pension already, it's very easy to put it away in a drawer and forget about it. But just think your pension is an investment that you should keep an eye on. So if like Patrick you've forgotten about your pension, talk to us today, as we're here to help you understand your pension and answer all your questions.



Almost

1 in 3 people claim they don't really understand pensions.
(Irish Life, 2015)

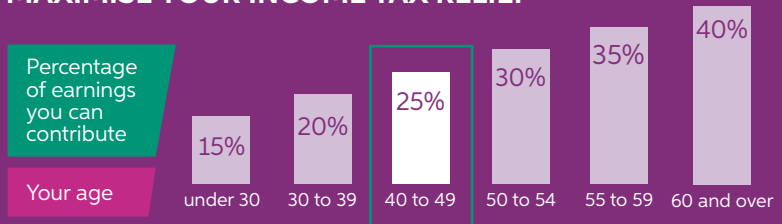
And remember the benefit of regular reviews and adjustments is invaluable. You could be missing out on tax incentives. Or you could be still contributing the same amount into your pension as you did when you started, even though you now earn more. Or if you are a couple with both of you earning, there are ways to maximise income tax relief for each of you.

HOW MUCH SHOULD YOU SAVE INTO A PENSION?

It really depends on your own circumstances, so, if you're 40 now, that would mean setting aside 25% of your income for a pension. It may seem a lot but with income tax relief it's not so hard.

Let's say, if like Patrick, you are earning €45,000, and you choose to save €750 a month into your pension. That is a lot of money but if you consider income tax relief at 40% it could cost you just €450 from your take-home pay.

MAXIMISE YOUR INCOME TAX RELIEF



The figures above show the percentage of earnings you can contribute each year. For example, if you were 40 years old earning €70,000 a year you would be able to save €17,500 each year into your pension and receive income tax relief on this saving. Pension income in retirement is subject to income tax at your highest rate on withdrawal, Universal Social Charge (USC), PRSI (if applicable) and any other taxes or government levies due at that time.



Questions & Answers

“WITH ALL THESE TAXES, AM I RIGHT TO STICK WITH MY PENSION?”

No doubt about it, times are tough for the economy. All of us are paying extra taxes one way or another. Some may question whether putting money into a pension is a priority right now. But if you don't do it, no one else is going to do it for you. The current single State Pension (Contributory) is a grand total of €12,392 a year. That's actually below the Government's own minimum wage. Even if you have no mortgage left to pay in the future, that's not much to get by on.

The good news is that pensions are much more flexible than most people think. You can change the level of contributions, you can even take a payment holiday if something major happens – for instance, a gap in employment due to redundancy.

DON'T LEAVE YOURSELF DEPENDENT ON FUTURE TAXPAYERS

Did you know that the qualifying age for the State Pension has gone up from 65 to 68 for today's 40-somethings? That means, if you were planning on retiring at 65, you will have a three year gap to fill. Fortunately, if you start planning now, this needn't be too much of a strain. Talk to your AIB Financial Advisor today and make sure you have all your options in place.

“WHAT'S MY PENSION WORTH RIGHT NOW?”

If you already have a pension, you can ask your AIB Financial Advisor any time for an update. We'll also give you an estimate of what your pension would be worth in retirement. It's important to meet with your AIB Financial Advisor each year to check if you are on track with your retirement plan.

Checklist for 40 something



- If you have started a pension already, do you know what type of funds your pension is invested in?
- Are you on track with your expected retirement income?
- Have you met your AIB Financial Advisor in the last year?
- Do you take time to read your pension benefit statements or keep track online?
- Do you know that, if eligible, you can claim income tax relief on your pension?

Check out the online pension calculator at www.aib.ie/pensions to see the kind of income you can expect in retirement.

For advice

on how to make the most of your retirement savings now, book a meeting with your AIB Financial Advisor today.

Supporting you

AIB has chosen Irish Life, Ireland's leading life and pensions provider*, to provide its customers with a range of pension products. AIB is tied to Irish Life which means we can advise you on the best pension product to suit your needs but the products themselves are provided by Irish Life. Here are just some of the reasons why Irish Life are Ireland's leading pension provider:



Irish Life manage pensions for 4,700 companies. This includes the Irish employees of:

- 8 of the 10 biggest Irish companies (on the ISEQ)
- 7 of the 10 biggest U.S. companies (on the S&P500)



Irish Life's investment manager has won the **INVESTMENT MANAGER OF THE YEAR AWARD** - at the Irish Pension Awards 2013-2015 and European Pension Award Winners 2014.



Irish Life's investment manager takes care of over **€65 BILLION** for thousands of people across Ireland.



> **1 MILLION**

Helping people to plan their finances for **OVER 75 YEARS** and now taking care of over 1 million customers in Ireland.



With **24/7 online service** and a Dundalk based customer service team Irish Life aim for the highest quality customer service.



Irish Life is part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.

This guide is only for general information on pensions. Terms and conditions apply to any plans and benefits noted. Please see www.aib.ie for more information on pensions. Information is correct as at July 2017.

*(based on market share 2016)

Call **1890 724 724**
Visit **www.aib.ie/pensions**
or Drop in to any branch.

Information is correct as of July 2017.

Allied Irish Banks, p.l.c. is tied to Irish Life Assurance plc, for life and pensions business.

Allied Irish Banks, p.l.c. is regulated by the Central Bank of Ireland.

Irish Life Assurance plc is regulated by the Central Bank of Ireland.

Irish Life Assurance plc, Registered in Ireland number 152576, VAT number 9F55923G.