



Press Release

What retirement income should I be targeting, and how can I hit that target?

I have been saving into my work pension, which is a defined contribution scheme, for the last five years. However, I am not sure if I'm saving up for the right pension. What retirement income should I be targeting, and how can I hit that target?

Answer: Mark Reilly, Pension Proposition Lead, Royal London Ireland

The key to building up a suitable pension for retirement is to start saving early and to save enough into it to fund a comfortable lifestyle at retirement. Before deciding how much you need to save into a pension, decide what kind of income you want when you retire – and then set this as your target pension. Most Financial Brokers recommend you aim to have an annual income equivalent to between 50pc and 66pc of your final salary on retirement, but you may need more or less than this, depending on your own financial circumstances.

Once you set your target pension, there are tools available to allow you to estimate the contributions you need to pay into your pension to hit that target. The Pensions Authority has a useful calculator on its website that allows you to do this.

You can consider taking full advantage of anything that will make it easier for you to save up the pension you will need in retirement – including the tax relief on pension contributions and the company pension scheme available to you. With some defined contribution work pension schemes, the more you pay into your pension, the more your employer will pay.

ENDS

Notes to the Editor:

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06/2023 2362.1