



Press Release

One in every two workers expect to work beyond the national retirement age of 66

Women are more likely to want to access the State pension early

Major changes to the State pension system were announced in September 2022 and will be introduced on a phased basis commencing in January 2024. It has been described as the biggest ever structural reform of the Irish State pension system¹. Addressing Ireland's ageing population and the toll it will take on the funds required to provide the State Pension for individuals over the next 20 to 30 years is one of the primary goals of these changes.

In a national survey from leading protection and pension provider Royal London Ireland, carried out by iReach with 1,000 adults nationwide; more women would opt to take a lower pension before the age of 66 (45pc vs. 37pc), while more men would like to be able to take a higher pension at a later date (27pc vs. 21pc).

Mark Reilly, Pension Proposition Lead at Royal London commented,

“After some controversy and backlash, the Government has chosen not to increase the age at which people receive the State pension but instead, it has introduced some flexibility as to when you can claim the benefit and how much you will be paid. Workers can now choose to work until the age of 70 if they so wish. Under the proposed flexible model, and based on current payment rates, the five rates are estimated at €253 per week at age 66; €266 at age 67; €281 at age 68; €297 at age 69; and €315 at age 70.

Sources:

¹ [gov.ie](https://www.gov.ie) - Minister Humphreys announces landmark reform of State Pension System in Ireland (www.gov.ie)

These changes have the potential to radically change people's view on retirement and to prompt people to really consider when they might like to commence their retirement versus when it might be financially feasible for them to do so.

"In light of all of this, our survey gives a really interesting insight into people's preferences around when they would like to access their State pension. While women are more likely to opt for less money at an earlier date, those aged 55+ and nearest retirement, are least likely to want to take their pension early (31pc) compared to more than half (51pc) of those aged between 25 and 34.

"As suggested by these results, perspective and goals change greatly as you move through life. The retirement you envisioned in your 20s and 30s might be very different to what you would like for yourself by the time you hit your 50s."

The Royal London Ireland survey also looked at the age at which people think they will retire.

Mark Reilly went on to observe,

"Only one in four of the population see themselves retiring at 65. Over half the population expect to work past the Normal Retirement Age (NRA) of 65 and, at least half of these people say they will do so because they have to, as opposed to because they choose to. Interestingly, more men than women said they would like to work past the NRA, at 28pc versus 21pc."

Additional highlights from the Royal London Ireland survey include:

- People aged 55+ were also most likely to say that they believe taking the standard pension at age 66, as it is now, is fine, with 47pc of this age cohort, compared to 24pc of those between the ages of 35 and 44, thinking the current structure is fine.
- Almost one in ten people believe they will retire by 55.
- 23pc of those in the ABC1 (middle-class) bracket believe they will retire at least five to ten years before the NRA with 18pc of those in the C2DE (working class) expressing the same sentiment.

ENDS

Appendix:

Royal London Ireland Pension Survey 2022

Q. Would you be in favour of being able to choose to take either a lower pension at an earlier age or a higher amount by deferring it to an older age?

- Yes – I'd like to take a lower pension at an earlier age 41%
- Yes – I'd like to take a higher amount at an older age 24%
- I think it's fine as it is 35%

The current contributory old age pension is paid from age 66. Some experts have suggested that there should be more flexibility in when and how it is paid. Would you be in favour of being able to choose to take either a lower pension at an earlier age or a higher amount by deferring it to an older age?

	What gender are you?			Age					Region				Socio-Economic Status	
	All Adults	Male	Female	18-24	25-34	35-44	45-54	55+	Dublin	Rest of Leinster	Munster	Connacht + Ulster	ABC1	C2DE
Sample Size	1000	489	511	110	185	209	175	321	307	198	307	183	411	478
Yes – I'd like to take a lower pension at an earlier age	41 %	37 %	45 %	36 %	51 %	48 %	42 %	31 %	41 %	46 %	40 %	36 %	47 %	34 %
Yes – I'd like to take a higher amount at an older age	24 %	27 %	21 %	37 %	15 %	29 %	26 %	22 %	28 %	24 %	20 %	27 %	26 %	22 %
I think it's fine as is	35 %	36 %	34 %	26 %	34 %	24 %	32 %	47 %	31 %	31 %	39 %	37 %	27 %	45 %

Q. Do you see yourself working past the Normal Retirement Age (NRA) of 65?

- Yes, because I'd like to 24%
- Yes, because I'll have to 28%
- No, I'll retire around then 26%
- No, I'm going to retire at least five years before that 13%
- No, I'm going to retire at least ten years before that 8%

	All Adults	Male	Female	18-24	25-34	35-44	45-54	55+	Dublin	Rest of Leinster	Munster	Connacht + Ulster	ABC1	C2DE
Sample Size	1000	489	511	110	185	209	175	321	307	198	307	183	411	478
Yes, because I'd like to	24%	28%	21%	36%	26%	17%	22%	26%	26%	30%	22%	18%	23%	24%
Yes, because I'll have to	28%	30%	28%	14%	33%	35%	27%	27%	26%	33%	26%	33%	26%	30%
No, I'll retire around then	26%	22%	30%	23%	20%	28%	31%	27%	26%	21%	30%	27%	27%	28%
No, I'm going to retire at least 5 years before that	13%	10%	14%	10%	17%	9%	12%	14%	16%	9%	15%	8%	17%	8%
No, I'm going to retire at least 10 years before that	8%	10%	7%	16%	4%	11%	8%	5%	7%	7%	8%	14%	6%	10%

Notes to the Editor:

About Royal London Ireland:

Royal London Ireland has a history of protecting our policyholders and their families for over 190 years in Ireland, and we're committed to continue to do so for a long time to come. Today we are owned by The Royal London Mutual Insurance Society Limited – the largest mutual life insurance, pensions and investment company in the UK, with assets under management of €174 billion, 8.8 million policies in force and 4,267 employees. Figures quoted are as of 30 June 2022.

Royal London Ireland's office is based at 47-49 St Stephen's Green, Dublin 2.