



## **Press Release**

### **Calls for Changes to Old Age Pension to Allow Both Early and Deferred Access**

- **Deferring retirement by four years would add €50 a week to State Pension**
- **Accessing a State Pension at 60 would reduce it by €40 a week**

Royal London, which has a history of protecting people in Ireland for over 190 years, is calling on the Government to introduce greater access flexibility to the State Pension, in order to give people greater control over when they draw it down. Currently, the State Pension can only be accessed at age 66, but the experts at Royal London contend that this one size fits all approach is no longer appropriate and is not in the best interests of Irish retirees.

Mark Reilly, Pensions Proposition Lead with Royal London spoke of their rationale for advocating for the move,

*“The normal retirement age of workers has become increasingly varied over the years and now depends on a wide variety of factors, such as the industry a person works in, their health, their family and financial situation, their appetite for work – and a host of other personal influences. There are some people who would prefer to retire early, even if that meant they would receive a lower pension, while others would much rather stay in the workforce for longer and defer their pension benefits – thus resulting in a higher pension when they go to access it.”*

Royal London says it hopes the Government would consider applying a sliding scale of pension payment, depending on retirement age, which would ensure fairness across the board. This would mean that everyone would receive approximately the same amount of State Pension over the lifetime of their retirement.

Figures from Royal London show how the timing of drawdown is likely to affect how much someone will receive from their State Pension.

Mr. Reilly went on to comment,

*“If you opt to wait and take your pension at 70, then you’ll be looking at an increase of about €50 a week. But if you choose to take your benefits at 60, your weekly income will be reduced by about €40.”*

Retirement age	Assumed annuity rate	Annual pension	Weekly pension
60	3.588%	€10,723.81	€206.23
62	3.804%	€11,369.40	€218.64
64	4.044%	€12,086.71	€232.44
<b>66</b>	<b>4.320%</b>	<b>€12,911.60</b>	<b>€248.30</b>
68	4.728%	€14,131.05	€271.75
70	5.208%	€15,565.67	€299.34
72	5.748%	€17,179.62	€330.38
74	6.384%	€19,080.50	€366.96

***\*Figures based on an assumed fund of €298,880 based annuity rate of 4.32% at age 66.***

Royal London says that pension access flexibility is just one alternative amongst a host of others that could be looked at to improve the State Pension system and bring it in line with the needs of a modern-day workforce.

Mr. Reilly concluded,

*“In recent years, the normal retirement age has been a bone of contention amongst politicians, economists and pension industry experts. The State Pension system is quite rigid and needs tweaking to better provide for our retirees in the years to come. Improvements should be considered to ensure our aging population can feel secure that they will have access to state support when they need it.”*

**ENDS**

## Notes to the Editor:

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

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