



Society of Actuaries in Ireland

**Health is wealth -
Changing the retirement mindset**

Aisling Kennedy, 27 September 2012

The role of policymakers

- Inform
- "Nudge"
- Set realistic expectations
- Modernise employment legislation
- Promote / invest in healthy ageing

When can you afford to retire?

Pension saving (% of salary)	Required pension (as % of salary)						
	35%	40%	45%	50%	55%	60%	65%
10%	74	76	78	79			
15%	67	69	71	73	75	76	77
20%	62	65	67	68	70	71	73
25%	59	61	63	65	66	68	69

Assumptions:

- *Male retiree, no spouse's pension*
- *Savings at a constant % of salary from age 25 to retirement*
- *Rate of investment return pre-retirement = rate of salary increase + 1%*
- *Real rate of investment return post-retirement = 1%*
- *Population life expectancy [not annuity cost]*