

Planning through retirement



Grainne Newman, Mercer



How is the DC/AVC balance going to be used at retirement?



Wide range of factors for the individual to consider



IAPF Investment Committee Discussions – Factors to consider

- Retirement – when and for how long?
- Is the DC balance the sole source of retirement income (apart from state pension)?
- Use of benefits at retirement – wide range
- Investment objectives are highly specific to individual's financial circumstances
- Nature of investment risks facing individual in retirement (what tolerance for income falling or running out?)
- How illustrate use of DC/AVC balance?
- Irish market experience (limited available statistics)
- Experience of DC/AVC plan

IAPF will be preparing a paper on this topic



How long can we expect to live in retirement?

Age Now	Men	Women
44	<p>Half expected to live to age 86 <i>(income needed for 21 years in retirement)</i></p> <p>Almost one third expected to live to age 91 <i>(income needed for 26 years in retirement)</i></p>	<p>Half expected to live to age 87 <i>(income needed for 22 years in retirement)</i></p> <p>Almost one third expected to live to age 93 <i>(income needed for 28 years in retirement)</i></p>

Mortality tables: 00L tables use within actuarial valuations
Retirement age of 65 assumed



Trustee Considerations

- Member communications and critical engagement points
- Investment range (options and retirement strategies available)
- Plan-specific considerations (membership profile, legacy benefits etc)