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THE **7** HABITS OF HIGHLY EFFECTIVE RETIREMENT PLANS

A 7 Minute Read

A planning guide
for investors with

€350,000+

This is an educational guide

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Retirement today means more life, more lifestyle, more choices

If you're in your early 50s with a pension pot of around €350,000, you're ahead of the curve. That's the result of consistent contributions, long-term planning, and a commitment to financial wellbeing.

So the question is, how far would €350,000 get you in retirement?

This guide is for anyone looking to grow their retirement pot and enjoy the lifestyle they've earned. We start by exploring how you should refine your retirement strategy, recognising that retirement now often extends well beyond age 66, then we delve into the seven habits of highly effective retirement plans:

1. **Begin With The End In Mind**
2. **Find Out Where You Stand**
3. **Determine Your Retirement Income Needs**
4. **Plan for Inflation and Rising Living Costs**
5. **Maximise Your Pension Contributions**
6. **Understand Your Investment Strategy**
7. **Sharpen the Saw, Evolve Your Plan**

Lastly, working with a financial advisor like Derradda Financial Services ensures these steps are tailored to your unique situation, helping you make informed decisions to stay on track for a comfortable retirement.

[Speak With an Advisor Today](#) 



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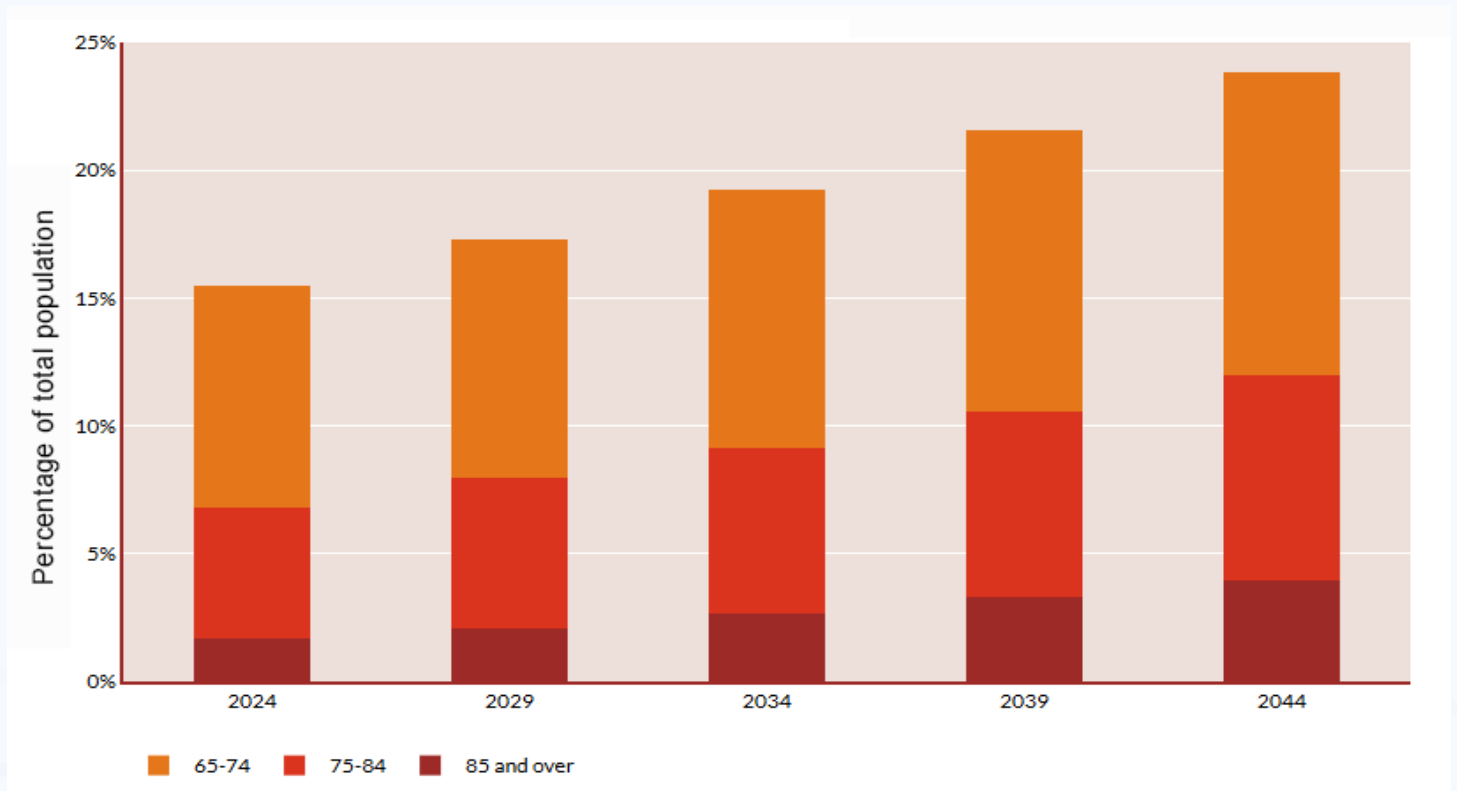
Firstly, let's look at refining retirement, normal living is now well beyond 66

The term “old age pensioner” feels outdated. Today, retirement is about enjoying a lifestyle earned through years of work, where hobbies, travel, socialising, and shopping are central to life after 66.

Shifting life patterns are reshaping finances, longer education, later first homes, and delayed parenthood mean more over-65s still carry mortgages or support adult children. These factors make careful retirement planning more important than ever.

Older age groups: population 2024 and projected population 2029-2044

This graph illustrates Ireland's population projections, showing a steady increase in the number of people aged 65–74, 75–84, and 85+ between 2024 and 2044.



Source: Gov.ie Key Trends: Demographics: <https://assets.gov.ie/static/documents/chapter-1-demographics.html>



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1. Begin With The End In Mind: Plan for a 25–30 year retirement

If like many, you plan to retire at 65, or even 60, preparing for a 25 - 30 year retirement is not just sensible, it should form the foundation of your financial strategy. Over the next 20 years, the population aged 65 and older is set to nearly double, with the fastest growth among those over 85, thanks to advances in healthcare. By 2046, Irish men can expect to live to 85 and women to 89, giving 19–23 years to enjoy after the final pay cheque.

While this is great news for quality of life, it also means your pension will need to provide income over a much longer period.

Retirement is getting longer, so planning is important.



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2. Find Out Where You Stand: Start with a baseline

When thinking about retirement, it helps to start with a baseline figure. Let's take €350,000 as an example. At first glance, it may sound like a substantial nest egg, but how far would it really stretch once you convert that into annual income?

If you retire at 65 with a pension pot of €350,000, taking on board your 25% tax-free lump sum on retirement of €87,500, a growth rate of 4% per year, annual inflation rate of 2%, plus the State Pension from aged 66, you could approximately receive an average annual income of €26,400 for 25 years.

Let's look at how different pension values translate into income.

Pension at Retirement	€350,000	€500,000	€700,000	€1,000,000
25% Tax Free Lump Sum	€87,500	€125,000	€175,000	€250,000*
Annual Drawdown*	€11,400	€16,300	€22,900	€32,500
Annual State Pension From 66yrs (Current)	€15,000	€15,000	€15,000	€15,000
Annual Income	€26,400	€31,300	€37,900	€47,500
Monthly Income Before Tax	€2,200	€2,608	€3,158	€3,958
Age at Which Pension Runs Out – 25 years	91yrs	91yrs	91yrs	91yrs

*Figures above assume an annual growth rate of 4% and inflation at 2%. *25% Tax Free Lump Sum - first €200,000 is tax free with remaining up to €500,000 taxed at 20%. Annual income is averaged over 25 years with annual drawdown of 4%, increasing to 5% from age 70. Standard Fees and Charges applied.*



3. Determine Your Retirement Income Needs:

Most people aim for 50%–70% of their current salary

The State pension right now is about €15,000 a year. While this is helpful, you now need to figure out how much to supplement this by, with a private pension. You might have other income sources or decide to live an active retirement and continue to work.

Either way, most financial experts recommend aiming for a retirement income of **50–70% of your pre-retirement salary.**

This is what you would typically require based on your pre-retirement salary.

Pre-Retirement Income	Recommended Annual Retirement Income (50% –70%)
€80,000	€40,000 – €56,000
€100,000	€50,000 – €70,000
€120,000	€60,000 – €84,000
€140,000	€70,000 – €98,000

Earning €100,000 a year? To keep your lifestyle in retirement, you might need an income of between €50,000 to €70,000 a year. With the state pension covering €15,000, that means aiming for a pension pot of around €700,000 to €1,200,000!





4. Plan for Inflation and Rising Living Costs: Factor in healthcare and potential long-term care expenses

Inflation is often described as the “silent killer” of retirement income, and for good reason. Between 2015 and 2024 (10years) Ireland experienced an average annual inflation rate of approximately 2.1%. Even at this relatively modest rate, the value of money declines noticeably over time.

*Let's take a closer look at the impact of inflation:
For example, with 2.1% annual inflation, €1,000 today would be worth just €812 in 10 years in terms of purchasing power. So, to maintain the same buying power in 2035, you'd need around €1,231.*

On a larger scale, this means that to match the purchasing power of €350,000 today, you would require about €430,000 in 2035, assuming the same steady 2.1% inflation rate!

Add to that the reality that health expenses tend to increase with age and that state supports like the Contributory State Pension may not fully bridge the gap and suddenly, €350,000 begins to feel much smaller than expected.



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5. Maximise Your Pension Contributions: Include AVCs where possible and take advantage of available tax reliefs

The time to maximise your pension contributions is now. Consider structuring Additional Voluntary Contributions (AVCs) to efficiently boost your pension.

Below is a table outlining the maximum contribution limits as a percentage of your net relevant earnings, based on your age, to qualify for tax relief. By optimising your contributions in line with your earnings, you can accelerate the growth of your pension pot through enhanced tax benefits.

So if you earn €100,000 annually, and are aged 48, then you could contribute a maximum of €25,000 to your pension and claim back tax relief up to your marginal rate of tax.

Age Attained During Year	Income Relief Limit (% of net relevant earnings)
Less than 30	15%
30 - 39	20%
40 - 49	25%
50 - 54	30%
55 - 59	35%
60 and over	40%

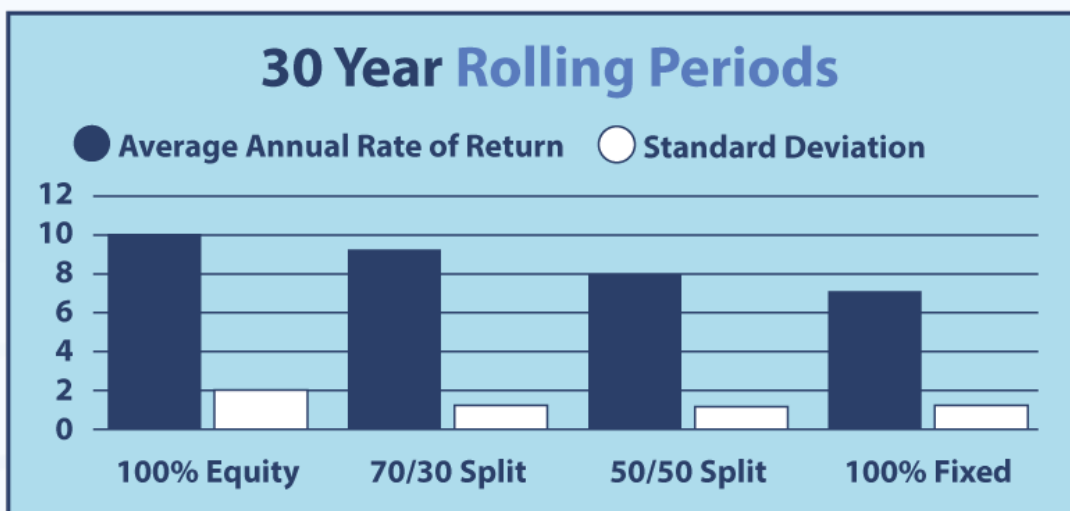
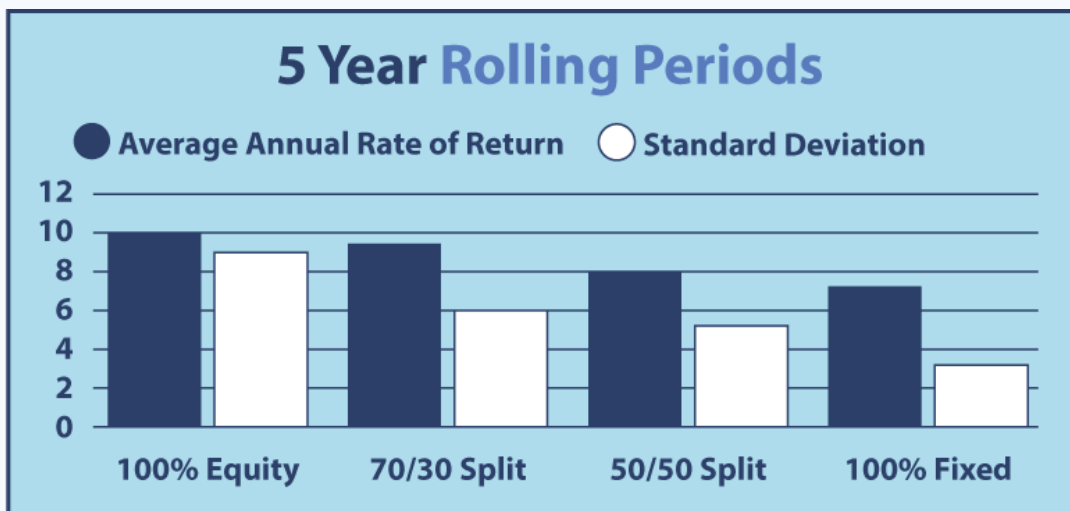
Salary is capped at €115,000. Employer contribution is not relevant.



6. Understand Your Investment Strategy: Compound interest, diversification, and asset classes can have a lasting impact

Saving more is important, but investing smarter can have an even greater impact on your retirement outcomes. At Derradda Financial Services, we take the time to thoroughly review the performance of your current pension fund, even if it's held with another provider.

Compound interest, multi-asset allocation and diversification are important factors when looking at your long-term portfolio and performance. Asset allocation refers to how your portfolio is divided among different types of investments, such as equities, fixed income, cash and other asset classes. Over the long term, how you invest can have a lasting impact on your returns.



Over an extended period, such as 30 years, equities have historically offered returns that outperform fixed interest investments, with volatility that tends to even out over time.



7. Sharpen the Saw and Evolve Your Plan: Review and adjust regularly, especially in your 50s and beyond

At Derradda Financial Services, we understand that retirement isn't just about having enough, it's about maintaining the quality of life you've worked hard for. For clients in their 50s, with pension pots of €350,000 or less, the challenge is bridging the gap between current retirement savings and the income needed for a comfortable retirement.

Here's the opportunity:

**You're in a high earning phase, and still within
the window where impactful action can make a
meaningful difference.**

*If you are in your 50s, you can still reach your retirement goal by
maximising age related contributions, using AVCs, and leveraging
employer contributions, all while keeping your personal cost lower
thanks to tax relief.*



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Case Study: John's Retirement Journey

John's goal was to reach a pension pot of €700,000. At age 54, he had built up €350,000, leaving a shortfall of €350,000 to bridge in just 11 years before his planned retirement at 65.

John was financially secure, his mortgage had just two years left, his wife's occupational pension was in place, and his children were mostly grown up. However, his own Personal Pension had underperformed, growing at only 2.2% annually under his old broker. He had only begun retirement planning in his late thirties, and his new employer's 3% contribution was invested in a Group Pension Scheme in a medium default strategy.

After reviewing his pensions, we recommended John continue with his Occupational Pension, contributing €300 monthly to match his employer's 3% contribution, projecting about €91,000 in 11 years at a conservative 2.5% growth rate.

We also advised switching his existing Personal Pension into growth-focused funds (targeting ~5% growth) and increasing AVCs to €600 per month. On his €120,000 salary, John could contribute a maximum of 30% (€36,000 annually) at age 54, rising with age, all of which benefits from income tax relief.

In total, John now contributes €900 per month, €300 into Occupational Pension and €600 into Personal Pension, at a net cost of just €540, based on a 40% tax relief calculation. With this strategy, his total pension, taking into account employer and employee contributions, is projected to grow from €350,000 to around €700,000 by age 65, even after factoring in 2.1% inflation.

This shows that even starting in your 50s, with smart planning, disciplined contributions, and availing of tax relief, retirement goals can be realistic and achievable.



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Derradda Financial Services creates tailored strategies to optimise your retirement plan

1. Personalised Retirement Income Planning

We start by reviewing your current finances and the lifestyle you want in retirement. Together, we set a target income, then run a gap analysis to highlight any shortfalls.

2. Investment Strategy & Fund Selection

We provide tailored bespoke recommendations for growth appropriate investment options based on your age and risk tolerance, helping you strike the right balance between potential returns and security. By focusing on diversification, asset classes and leveraging the added stability of Derradda Fund Blends, you can maximise the growth of your pension pot and work towards a more comfortable financial future.

3. Coordinated Planning with State & Private Benefits

Our strategy covers drawing down private pensions, maximising tax-free lump sums, reviewing old schemes, integrating the State Pension, and planning for you and your partners retirement. Our holistic approach ensures your retirement income is structured to be both tax efficient and sustainable.

4. Retirement Income Structuring (Post-65)

At retirement, we help turn your savings into a reliable income through ARF planning and flexible drawdowns. By focusing on tax efficiency and conducting annual reviews, we ensure your income adapts to inflation and supports your lifestyle for the years ahead.



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5. Estate & Succession Planning

We make sure your retirement plan supports both your lifestyle and the legacy you want to leave, with tax-efficient pension transfers and seamless integration into your estate, will, and inheritance plans.

Final Thoughts: €350,000 Is a Strong Starting Point

A €350,000 pension pot is an achievement worth recognising, but don't let the headline number give a false sense of security. When measured against retirement duration, rising costs, and your income expectations, there's likely a shortfall that needs bridging now.

You've built momentum. Now it's time to convert that into long-term financial security.

No-Obligation, Complimentary Financial Review.

Plan smarter with Derradda Financial Services. Whether you're on track or catching up, we'll help you make your pension work harder so you can enjoy the retirement you deserve.

Book a FREE Consultation Today

Visit [Derradda.ie](https://derradda.ie) and talk to one of our experienced financial advisors.

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Warning: The investment is not guaranteed to return your capital or achieve any rate of return.

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