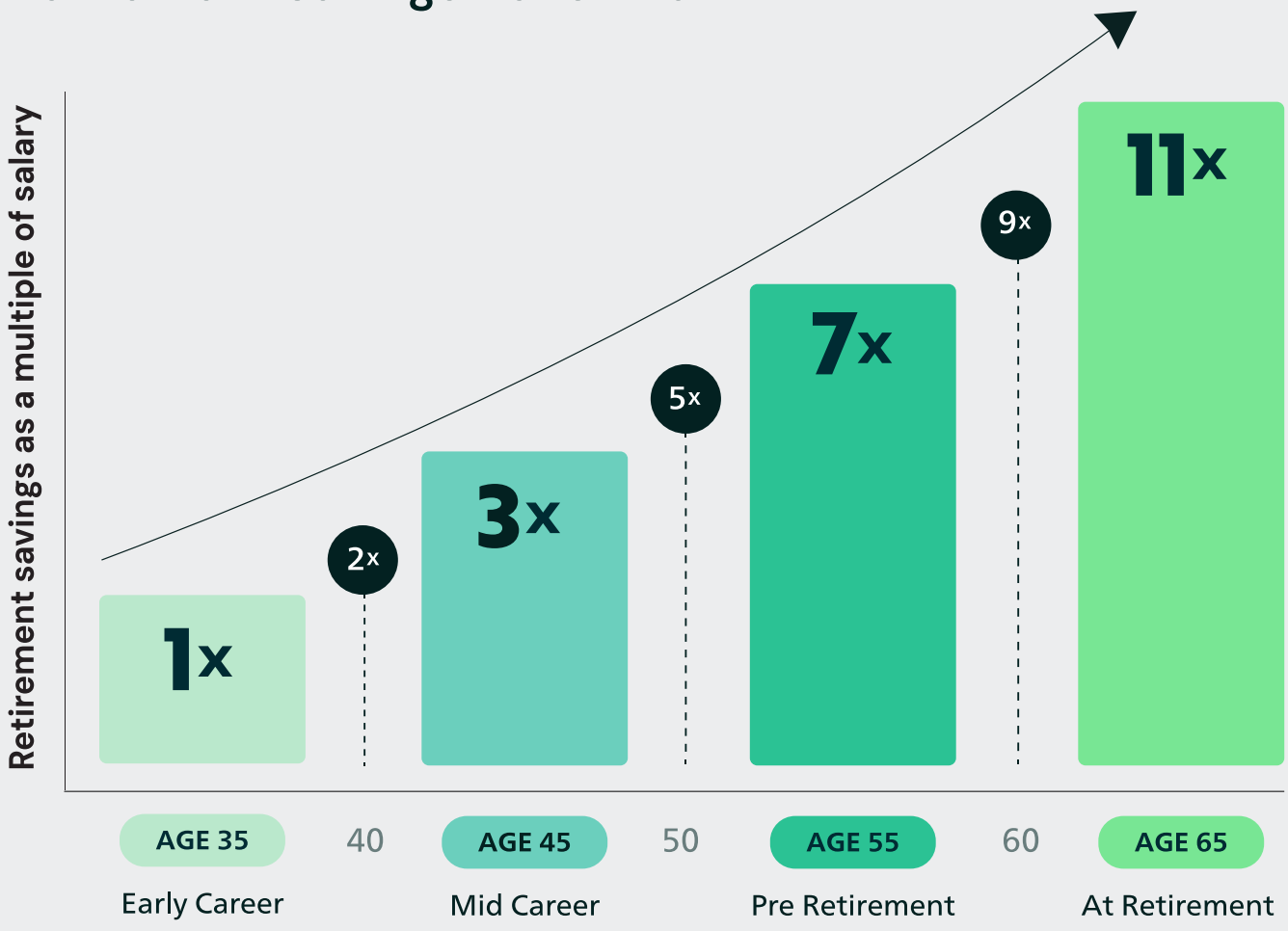
The Prime Retirement Index©

FPSB FINANCIAL PLANNING STANDARDS BOARD IRELAND

A clearer view of retirement readiness

Prime Retirement Index© – Retirement Savings Benchmark



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FOREWORD

A clearer conversation about retirement

From Participation to Preparedness

For many years, the focus of retirement policy in Ireland has been on increasing pension participation. While considerable progress has been made, having a pension does not necessarily mean being financially prepared for retirement.

Our recent research, The New Retirement Reality, highlighted this challenge, with almost eight in ten employees saying they do not feel financially prepared for retirement.

At FPSB Ireland, our role is to promote high standards of financial planning and better outcomes for consumers. We believe there is a need for a simple, accessible way for people to understand how their retirement savings are progressing.

That is why we are delighted to collaborate with GEM Strategic in bringing Prime Retirement Index© (PRI) to Ireland.

The PRI provides a common starting point for retirement planning conversations. Our ambition is to see it used widely, as a tool to tailor your advice, helping people identify potential shortfalls earlier and supporting CFP® professionals and the wider financial planning community in delivering informed, personalised advice.

Emer Kirk CFP®
CEO, FPSB Ireland

FPSB Ireland is part of the global Financial Planning Standards Board network. It sets and upholds professional financial planning standards and certifies more than 1,100 CFP® professionals in Ireland.

Creating a common benchmark for retirement savings

Prime Retirement Index© grew from a simple question: how can someone know whether the pension savings they have accumulated are broadly on track for their age?

While pension statements tell people how much they have saved, that figure alone provides little context about whether it may be sufficient to support their retirement.

Drawing on long-term investment research and retirement modelling, GEM Strategic developed the PRI as a practical framework built around **four milestones: 1× salary at age 35, 3× at 45, 7× at 55** and **11× at 65.**

Our objective was to create a transparent, consistent benchmark that could be understood by savers and applied by financial advisers, while recognising that individual retirement needs will always differ.

Through our collaboration with FPSB Ireland and the support of the founding sponsors, we are pleased to introduce what we believe is the first national, age-based retirement savings benchmark of its kind in Ireland. Our ambition is to see the PRI become a widely recognised reference point, helping savers better understand their retirement preparedness and supporting earlier, more informed conversations with financial planners.

Kevin McConnell CFA
CEO, GEM Strategic

GEM Strategic provides specialist analysis and solutions for banks and investment funds across Europe and the Middle East, covering economic forecasting, capital and credit stress testing, wealth management and retirement planning.

Acknowledgement of founding sponsors

The development and introduction of Prime Retirement Index© in Ireland has been supported by its founding sponsors: New Ireland, Royal London, Standard Life and Zurich. The sponsors have no role in determining the Index's methodology, assumptions or milestones, which remain the responsibility of GEM Strategic.

The pathway to 11× salary

Prime Retirement Index© expresses a saver's retirement savings as a multiple of their salary and compares it with an age-based pathway.

IN THE CONVERSATION

"Let's calculate your PRI score and compare it to the recommended pathway."

We compare your retirement savings with the benchmark for your age to give a starting point for assessing retirement readiness and to assist us to provide personalised pension advice

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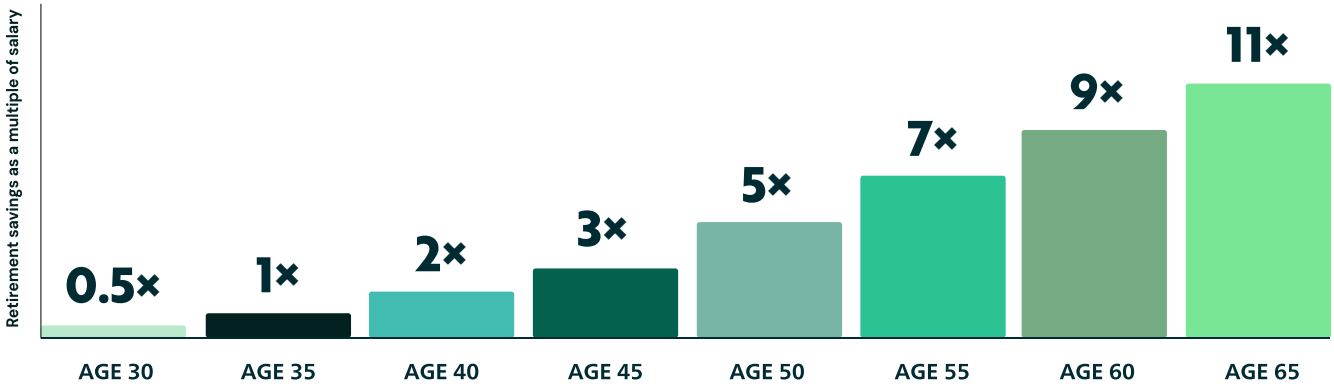


The PRI measures retirement savings as a multiple of current gross salary, by age.

The Score

Compared with the milestone for the saver's age.

Savings ÷ salary

Retirement savings divided by current salary.



The Pathway

Share of the age milestone achieved.

50%

1× saved against a **2×** milestone at **40**



The Objective

11× final salary at **65**, with a **4%** withdrawal.

44%

of salary, before the State Pension

67%

With the state pension, for the average earner

Included in the score

DC funds, PRSAs, AVCs, personal pensions, buy-out bonds and My Future Fund. Defined benefit entitlements at **25×** the expected annual pension, plus any separate lump sum.

Not Included

The family home, other investment assets, deposits and the State Pension. They remain relevant to the saver's wider plan and are considered in the full advice process.

CALCULATING A SCORE

A saver's position in under a minute

IN THE CONVERSATION

"Your score gives us a starting point to develop or improve a retirement savings plan."

01

Add up retirement savings

All qualifying retirement savings, valued on the same date.

02

Divide by Salary

Current gross basic pay.
The result is the saver's PRI score.

03

Compare with the milestone

Score ÷ milestone for their age shows how they compare to the pathway.

THIS IS AN ILLUSTRATIVE EXAMPLE: A MID-CAREER SAVER

40	€65,000	€65,000	1× / 2×
Age	Salary	Savings	Score/Milestone

WHAT IT MEANS FOR RETIREMENT INCOME:
(RETIREMENT FUND INCOME + STATE PENSION)

CURRENT PROGRESS

50%

of the PRI pathway

46%
Salary replaced

5.5×
CURRENT TRAJECTORY

2/3
Salary replaced

11×
PRI TARGET AT 65

If the client continues at **50%** of the PRI pathway to retirement, they are projected to fall significantly short of target retirement income levels, perhaps resulting in a major step down in income in retirement relative to their final salary.

Apply the approach consistently

Salary

Gross basic pay for PAYE employees; a three-year average for variable earnings, the self-employed and proprietary directors.

Couples

Score each person separately, then take a household view.

Defined benefit

25× the expected annual pension, plus any separately payable lump sum at its stated value.

Record the basis

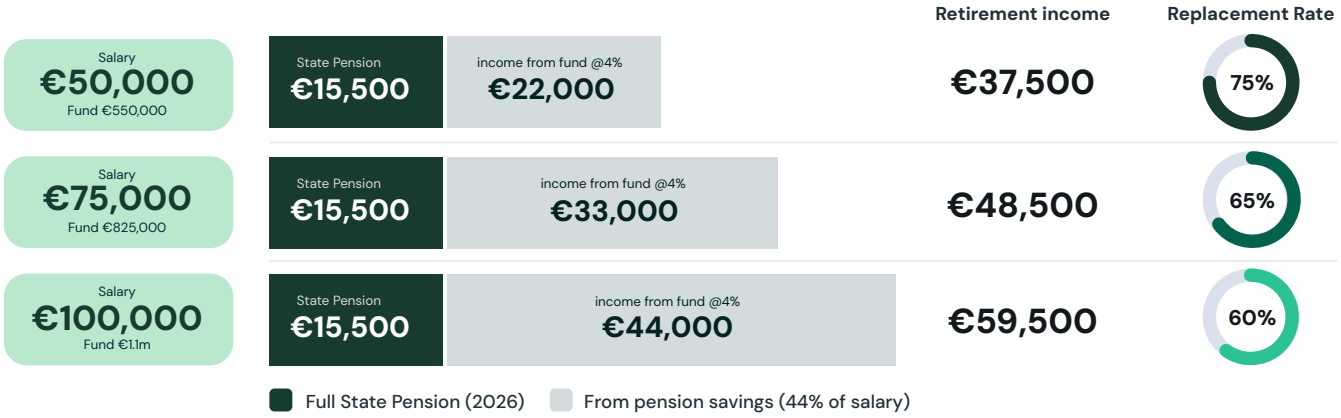
Note the valuation date, earnings basis and arrangements included, so reviews compare like with like.

WHAT IT IS BUILT ON

Why 11× salary & target contributions at 14%

A fund of 11 times final salary, drawn at **4%** a year, provides about **44%** of salary in retirement. Because the State Pension is a flat rate, when adding fund income, the total replacement rate is higher for lower earners and lower for higher earners, while reaching the range seen in benchmark international pension systems. For the average earner this is approximately a **67%** replacement rate. The average mandatory replacement rate for the EU27* is **54%**, and DB schemes target a **67%** replacement rate of final salary.

What 11× at 65 could provide and corresponding replacement rate



Illustrative retirement incomes expressed in today's money, assuming the 11× salary target is achieved, a 4% annual drawdown and a full State Pension of €15,500 once eligible. Targets rise with salary, helping account for inflation. Actual outcomes depend on contributions, investment returns, charges and inflation; neither the target fund nor the illustrated income is guaranteed.

Central assumptions underpinning the PRI

Contributions

14% of salary, employee and employer combined. About **13.3%** reaches **11×** under the central return; **14%** adds a modest margin of protection.

Investment Returns

Target a growth portfolio until **age 55**, and then de-risk from **age 55–65**, as risk tolerance reduces. Informed by **over 100** years of global market data.

Salary Growth

An average of **2.5%** a year over a career from **age 25 to 65**, non-linear.

Drawdown

4% a year initially, in line with an internationally recognised withdrawal rate for sustainable drawdown in retirement.

State Pension

The full contributory rate. Excluded from the **11×** multiple, included in income estimates.

When to adjust or look further

Special Cases

- **DB and public service:** convert to a capital value; apply the PRI mainly to top-up savings.
- **High earners: a personalised multiple;** note the **€115,000** relief cap and Standard Fund Threshold.
- **Self-employed and directors:** three-year average earnings; company contributions and business assets.
- **Late starters (50+):** a full financial planning process.
- **Significant personal assets:** other financial resources.

What about inflation and stating retirement outcomes in today's money?

As the PRI is based on salary multiples, savings targets adjust with earnings over time.

Full methodology and assumptions are detailed in the PRI white paper.

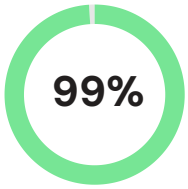
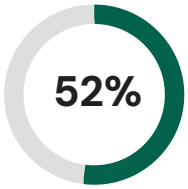
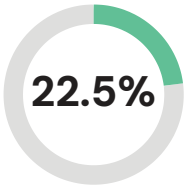
TIMING & RISK

The same gap is a bigger problem later in career

A gap is a reason to act, not a judgement

A shortfall tells us to review potential additional saving, spending habits, other available assets or what more time to retirement might achieve. Identifying the shortfall earlier provides more time to address it.

Historical testing shows the likelihood of reaching the PRI target and how it changes when savers begin at **50%** of their age-related benchmark and increase total contributions to **14%**.

Starting Point	Age 35	Age 45	Age 55
	0.5× vs **1×** PRI Score of **50%**	**1.5×** vs **3×** PRI Score of **50%**	**3.5×** vs **7×** PRI Score of **50%**
Reached 11× by 65			
Planning implication	Long repair horizon. Move to **14%** contributions and continue to monitor progress.	Shorter repair horizon. Increase contributions and review other available resources.	Increasing contributions to **14%** alone will be insufficient. Consider lump sum funding, other assets, retirement timing, current spending and income objectives.

These results are based on hypothetical scenario testing against historic market returns and exclude charges and taxes. They are not probabilities of individual success, forecasts or guarantees. Actual outcomes will vary.

Investment risk works in both directions

Taking too little risk early and in mid-career can be as damaging as taking too much risk close to retirement.

Too cautious for too long

14% contributions for **40** years, but a **3%** annual return.

≈ 6.6× final salary

Too much risk in late career

On track at **55**, stays **80/20** in equities, and meets a **50%** equity fall just before retirement.

≈ 6.6× final salary

Both end some **40%** short of **11×**: one gradually, one suddenly. The PRI pathway assumes investment in growth assets to **55**, then a transition to lower risk in the final decade before retirement.

The score starts the discussion

Prime Retirement Index© gives an adviser and saver a common reference point for discussing retirement readiness. The score identifies where the saver stands against the benchmark, but it is only the starting point for retirement planning advice. The FPSB Global Financial Planning Standards provide a framework for helping advisers move beyond an initial benchmark assessment to consider the client's wider financial circumstances, objectives and needs.

01

Calculate the score

Calculate and record the PRI position

02

Discuss any gap

Explore goals, contributions, other resources and time remaining

03

Agree a plan

Assess suitable actions for the individual

04

Review annually

Update after changes in circumstances

The PRI supports the financial planning process; it does not replace the six-step process set out in the FPSB Global Financial Planning Standards.

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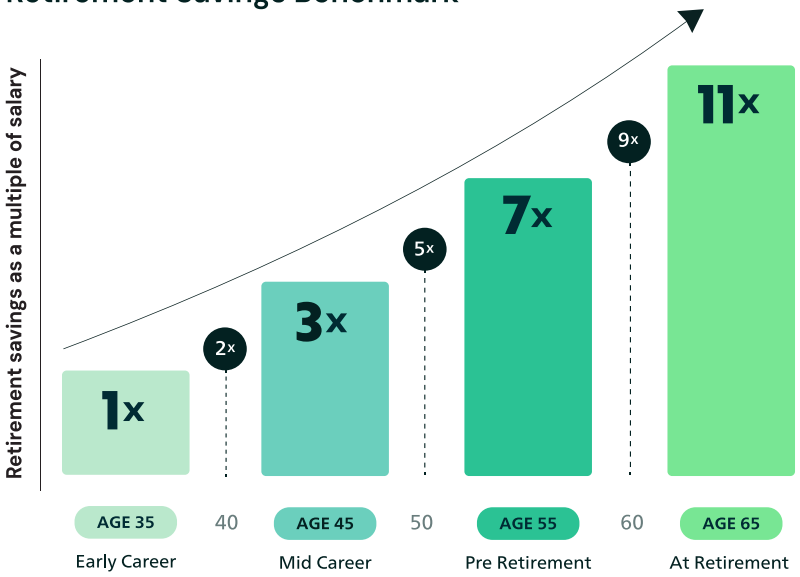

Using it with Clients

Prime Retirement Index© is an educational benchmark, it is not advice and the PRI score is not an investment recommendation.

In using the PRI as a tool when advising clients, Advisers must ensure that they comply with the requirements of the Central Bank's Consumer Protection Code, including in particular those relating to KYC and Suitability.

Who is behind the Index

FPSB Ireland

Licenses the Index for use in Ireland and supports its use by CFP® professionals, the wider advice community and for educational purposes.

GEM Strategic

Developed in Ireland in collaboration with FPSB, GEM owns and maintains the methodology, and reviews its assumptions every year.

Founding Sponsors

New Ireland, Royal London, Standard Life and Zurich are supporting its roll-out in 2026. They have no role in its methodology, assumptions or milestones.

Resources

Prime Retirement Index© White Paper and Prime Retirement Index© Brief Overview.
www.fpsb.ie for resources

For professional advisers. Prime Retirement Index© is a general educational benchmark, not financial, pension, tax or investment advice.
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Prime Retirement Index© (PRI) is a general educational benchmark designed to support discussions about retirement savings adequacy. It is not intended for direct consumer use as a personalised retirement assessment and does not constitute financial, investment, pension or tax advice.

The PRI does not replace an individual financial plan, suitability assessment or any regulatory disclosure or projection requirements. Advisers remain responsible for exercising independent professional judgement and complying with applicable regulatory and professional obligations.

All projections and income illustrations are hypothetical and depend on stated assumptions. Actual outcomes will vary. Investment returns, retirement income and achievement of PRI milestones are not guaranteed. Past performance is not a reliable guide to future performance. Projected performance is not a reliable indicator or future results.

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