

Pension Calculator Report – Calculation Methodology

2025

The calculator estimates the size of your pension pot at retirement and its value in today's money. All figures are before tax.



1

Step Define Inputs

Age	
Your current age.	
Retirement Age	
The age you plan to retire.	
Current Pot (S)	
Your existing pension balance.	
Annual Income	
Your salary today.	
Wage Growth	
Expected yearly increase in salary (€ per year).	
Contributions	
The percentage of salary you (and your employer, if applicable) contribute.	
Annual Return (%)	
Expected investment growth rate.	
Annual Costs (%)	
Fees deducted by the pension provider.	
Inflation (%)	
Average annual inflation.	

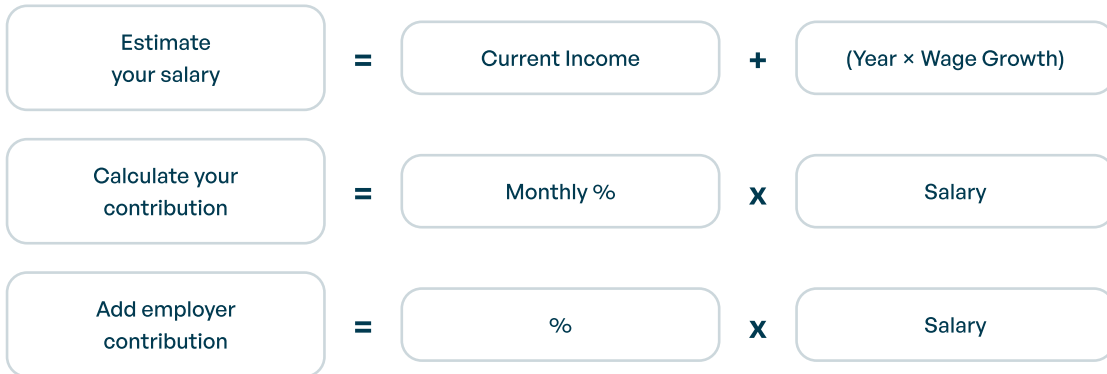


2

Step Calculate Contributions

1

For each year until retirement:



2

Combine these to get the total contribution per year.

3

Step Grow the Pension Pot

Each year, apply:

$$\text{Pension}_{t+1} = (\text{Pension}_t \times (1 + \frac{\text{Return} - \text{Costs}}{100})) + \text{Annual Contributions}_t$$

This compounds the pot with investment growth (minus costs) and adds new contributions.

4

Step Adjust for Inflation

To show the pot in today's money, discount the final amount by inflation:

$$\text{Pension (today's money)} = \frac{\text{Final Pension (nominal)}}{\left(1 + \frac{\text{Inflation}}{100}\right)^{\text{(Years to Retirement)}}$$

5

Step Estimate Annual Income in Retirement

Assuming life expectancy = 83 years, the calculator divides the inflation-adjusted pot by the number of retirement years:

$$\text{Annual Pension Income} = \frac{\text{Pension (today's money)}}{83 - \text{Retirement Age}}$$

6

Step

Maximum Contributions Check (Tax-Free Limits)

Irish rules cap the % of salary you can contribute tax-free (15–40%, depending on age). The calculator compares your chosen contributions against these limits and alerts you if exceeded

Age Bracket	Maximum Tax-Free Contribution (% of Salary)	Explanation
Under 30	15%	You can contribute up to 15% of your gross annual income tax-free.
30 – 39	20%	Higher allowance as you approach mid-career.
40 – 49	25%	Increased limit to encourage greater retirement savings.
50 – 54	30%	Allows larger contributions as retirement nears.
55 – 59	35%	Significant boost for late-career savings.
60 and over	40%	Maximum tax-free limit for pension contributions.