

## Pension Calculator Report – Calculation Methodology

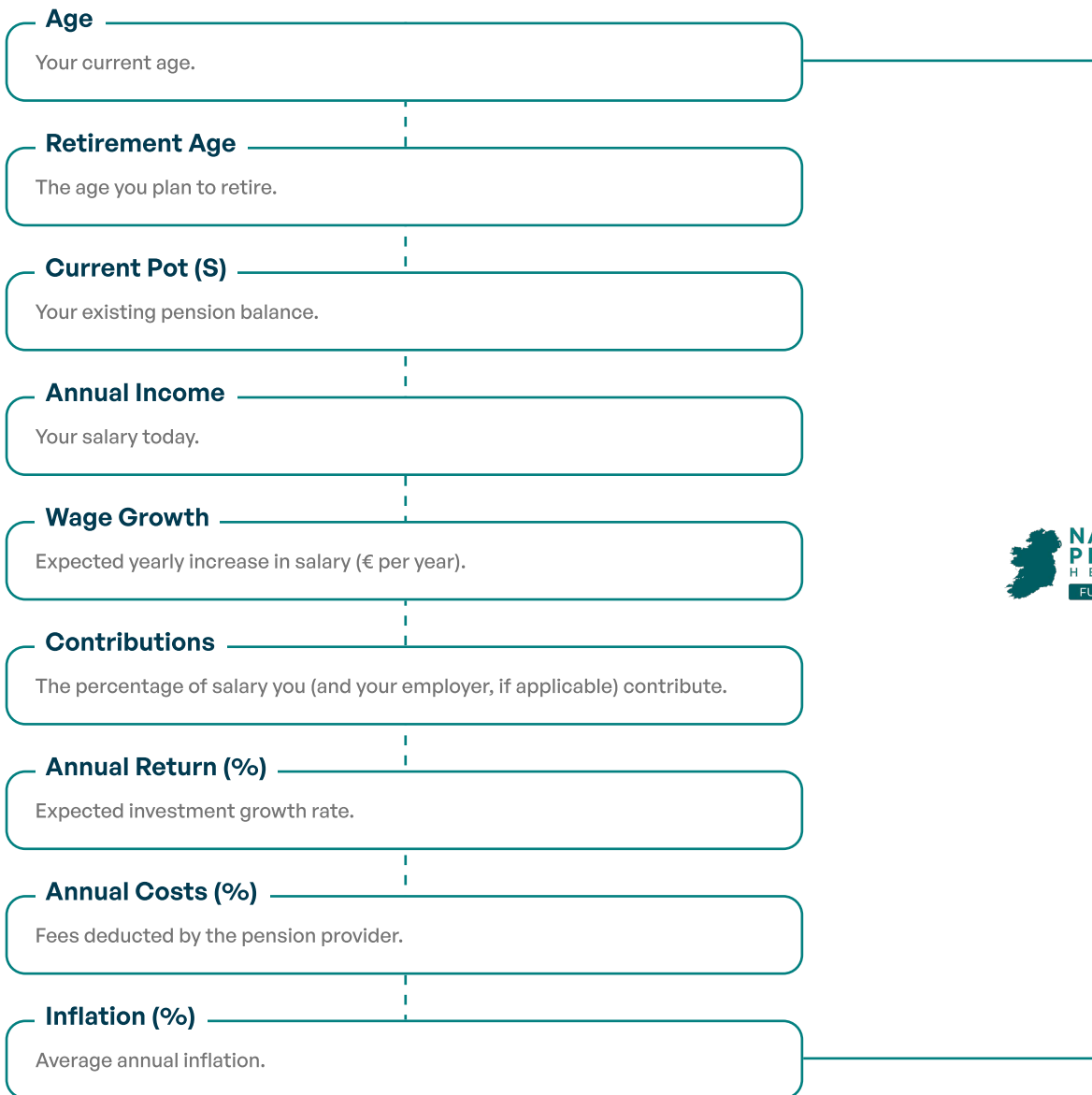
# 2026

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

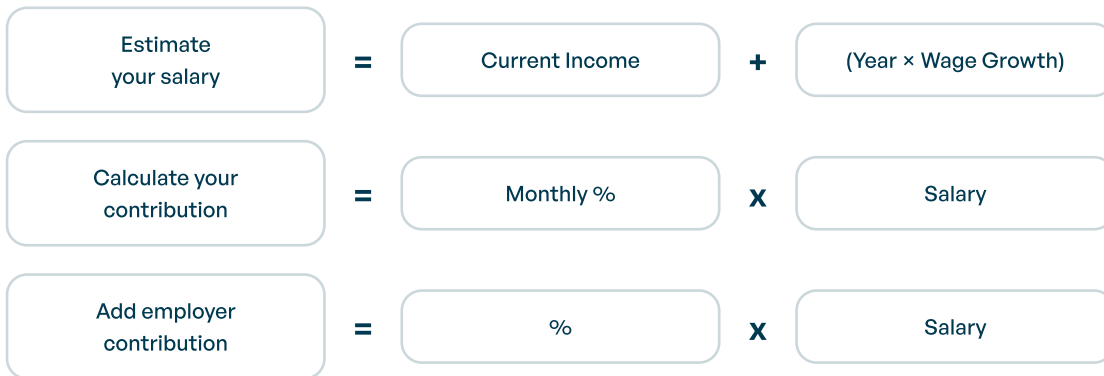


# 2

## 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.