ESRI Budget Perspectives

No. 2027/2, June 2026

AN INSTITIÚID UM THAIGHDE EACNAMAÍOCHTA AGUS SÓISIALTA
ESRI ECONOMIC & SOCIAL RESEARCH INSTITUTE

Occupational pension coverage and timing of retirement in Ireland

SIDDHANT SETH AND DORA TUDA

Occupational pension coverage and timing of retirement in Ireland

Siddhant Seth

Dora Tuda

June 2026

Budget Perspectives 2027

Number BP2027/2

Available to download from www.esri.ie
https://doi.org/10.26504/bp202702

About the ESRI

The Economic and Social Research Institute (ESRI) advances evidence-based policymaking that supports economic sustainability and social progress in Ireland. ESRI researchers apply the highest standards of academic excellence to challenges facing policymakers, focusing on ten areas of critical importance to 21st century Ireland.

The Institute was founded in 1960 by a group of senior civil servants led by Dr T.K. Whitaker, who identified the need for independent and in-depth research analysis. Since then, the Institute has remained committed to independent research and its work is free of any expressed ideology or political position. The Institute publishes all research reaching the appropriate academic standard, irrespective of its findings or who funds the research.

The ESRI is a company limited by guarantee, answerable to its members and governed by a Council, comprising up to 14 representatives drawn from a cross-section of ESRI members from academia, civil services, state agencies, businesses and civil society. Funding for the ESRI comes from research programmes supported by government departments and agencies, public bodies, competitive research programmes, membership fees, and an annual grant-in-aid from the Department of Public Expenditure, Infrastructure, Public Sector Reform and Digitalisation.

Further information is available at www.esri.ie.

The authors

Siddhant Seth is a Research Assistant at the Economic and Social Research Institute (ESRI). Dora Tuda is a Research Officer at the ESRI and Adjunct Assistant Professor at Trinity College Dublin.

Acknowledgements

We are grateful to The Irish Longitudinal Study on Ageing (TILDA) for data access, and to the editor of the Budget Perspectives series and two anonymous referees for their comments. This work was carried out with funding from the ESRI's Tax, Welfare and Pensions Research Programme (supported by the Departments of Children, Disability and Equality; Finance; Health; Public Expenditure, Infrastructure, Public Sector Reform and Digitalisation; and Social Protection), which is gratefully acknowledged

Table of contents

List of tables

List of figures

Abbreviations

CSO	Central Statistics Office
OECD	Organisation for Economic Co-operation and Development
OLS	Ordinary least squares
PRSI	Pay-related social insurance
TILDA	The Irish Longitudinal Study on Ageing

Executive summary

Occupational pension coverage and timing of retirement in Ireland

Ireland has historically relied heavily on the State pension as the primary source of income in retirement. While occupational pension coverage has risen steadily in recent years, a substantial share of older employees still approach retirement without supplementary pension provision. Understanding how occupational pension coverage relates to both the timing of retirement and income adequacy in retirement is critical in the context of population ageing, pressures on the public finances, and the introduction of auto-enrolment in 2026.

This paper examines planned and actual retirement ages for those with and without an occupational pension, using data from The Irish Longitudinal Study on Ageing (TILDA) covering the period 2010–2018. We focus on a homogeneous sample of employees and former employees with sufficient PRSI contributions to qualify for the State Pension (Contributory), and explore heterogeneity of outcomes by sociodemographic groups, including sex, education, employment sector and region.

We find clear differences in planned retirement ages between sociodemographic groups. Individuals with occupational pension coverage plan to retire earlier, at around 63.5 years of age, while those without coverage typically plan to retire close to the State pension age of 66. In practice, however, both groups retire at broadly similar ages, at around 61 on average. As a result, employees without occupational pension coverage experience a substantially larger gap between planned and actual retirement ages – almost 5 years on average – compared with a gap of under 3 years for those with occupational pension coverage. These differences are statistically significant and are driven primarily by differences in planned, rather than actual, retirement ages.

The retirement age gap is especially pronounced among women without occupational pension coverage. This group retire at a much younger age, on average around 58.5, despite planning to retire close to 66, resulting in a gap of almost seven years. By contrast, women with occupational pension coverage both plan and retire earlier, and have retirement age gaps similar to men. Regression analysis shows

that occupational pension coverage reduces both planned and actual retirement ages.

While retirement timing is similar across groups, retirement incomes differ sharply. Individuals with occupational pension coverage retire to substantially higher incomes than those without coverage. Median total weekly retirement income is approximately €460 for those with occupational pension coverage, compared with €230 for those without. State pension and benefit incomes are similar across groups; the large gap in total income is driven almost entirely by occupational pension coverage. Consistent with previous ESRI research, we find that the gender pension gap is due to the lower rate of occupational pension coverage for women as well as lower occupational pension amounts when covered: men with coverage receive much higher retirement incomes than women with coverage, while men and women without coverage have similarly low retirement incomes. Previous ESRI research found that the biggest contribution to the gender pension gap is years spent working.

Although occupational pension coverage does not appear to substantially delay retirement from the labour market, it plays a crucial role in determining living standards in retirement. Those without occupational pension coverage not only retire earlier than planned but do so with significantly lower incomes, raising concerns about poverty and financial insecurity in older age, particularly for women. Moreover, widespread early retirement relative to the State pension age implies foregone tax and PRSI revenue and increased pressure on public spending.

Overall, the results suggest that occupational pension coverage matters far more for retirement income adequacy than for retirement timing. As Ireland rolls out auto-enrolment in MyFutureFund, future research will be needed to assess whether expanded coverage improves resilience to involuntary retirement and reduces inequalities in retirement outcomes, especially for women.

Chapter 1
Introduction

According to the Organisation for Economic Co-operation and Development (OECD, 2014), Ireland has historically had high reliance on State pensions. In 2014, only 40 per cent of workers had supplementary pension coverage. Supplementary pension coverage has been steadily increasing over the years and reached 67 per cent in 2024. However, of those without supplementary coverage, 52 per cent of workers say that the State pension will be their main source of income in retirement (CSO, 2024).

In this report we investigate plans for retirement and actual retirement age by occupational pension coverage. Knowing when employees plan to, and actually, retire is important information for policymakers and fiscal planning, especially in the context of rapid population ageing (Komp, 2017; IFAC, 2020).

Ireland has so far been one of a few exceptions in Europe and OECD countries in relying mostly on a one-tier, State-funded pension system, where pensions are paid out at a flat rate rather than earnings-related (see for example McHale, 2006). This potentially creates several issues in the long term for both workers and the government. First, the flat rate State pension is likely to be at a low replacement rate for average workers. Second, with population ageing it becomes more costly for the government to pay out pensions to an increasing number of retirees, while at the same time a lower share of the population pay for tax and social contributions. Third, a standard policy to prolong working life (in Ireland and internationally) is to increase the pension age. In Ireland this has been found not to affect people's plans for retirement at the time of the announcement (Barrett and Mosca, 2013), and not to prolong working lives (Redmond et al., 2017). However, it can cause substitution into alternative welfare benefits (Tuda et al., 2026), and could put further pressure on the Exchequer.[1]

The introduction of auto-enrolment into MyFutureFund in January 2026 has further increased supplementary pension coverage. The reformed

[1] These findings are based on research which analysed affected individuals close to the State pension age. The abolishment of the State Pension (Transition) in 2014 effectively increased the pension age from 65 to 66.

pension system now consists of the basic State pension and the additional earnings-related pension. With this pension reform in mind, we analyse planned retirement ages of employees and actual retirement ages of retired employees, and examine whether these appear to be linked to having an occupational pension.[2]

Using The Irish Longitudinal Study on Ageing (TILDA), we create a homogeneous sample of people aged 50 and over with enough PRSI contributions to qualify for the State Pension (Contributory).[3] The sample consists of employed people who report their planned retirement age, and previously employed retirees who report the year when they actually retired. We estimate a smaller gap between planned and actual retirement ages for people who have occupational pension coverage than for those who do not. This is further broken down by important sociodemographic groups including sex, education, region and working in the public or private sector, over time and on a small subsample of panel individuals who report both planned and actual retirement ages.

The remainder of the report is structured as follows. Chapter 2 describes the data and presents summary statistics. In Chapter 3, we calculate the gap between planned and actual retirement ages by occupational pension coverage. Chapter 4 provides a descriptive analysis of planned and actual retirement ages over time, again by occupational pension coverage. Chapter 5 concludes.

[2] Auto-enrolment into supplementary pension coverage in Ireland has previously been examined by Bercholz et al. (2019) and Keane et al. (2023).
[3] Alongside the State Pension (Contributory), individuals with less than 520 weekly PRSI contributions qualify for the State Pension (Non-contributory) or Bereaved Partner's (Contributory) pension.

Chapter 2
Data and sample

We use data from The Irish Longitudinal Study on Ageing (TILDA), a nationally representative panel survey of older adults in Ireland. This longitudinal dataset follows individuals aged 50 and over who reside in private households. The survey gathers detailed information on respondents' labour market status, work histories and family circumstances.

We examine TILDA waves 1–5, where data were first collected in 2009/10 and subsequently every 2 years.[4] While the survey is longitudinal in nature, people pre-retirement were asked in every wave when they planned to retire.[5] Therefore, for the main analysis we pool data across waves (effectively the data is used as a repeated cross section), which gives us a more detailed breakdown of individual characteristics. We build a homogenous sample of workers and retired workers to assess plans for retirement and actual retirement ages of the workers who would qualify for the State Pension (Contributory) once they reach pension age.

Retirement age (planned or actual) is largely determined by the sample selection. We focus on a homogeneous sample consisting of two groups of individuals: i) those employed at the time of interview and ii) those retired but who had previously been employed. Therefore, we exclude the self-employed and individuals deemed inactive, disabled, unemployed, those who have never done any paid work, and those retired who have worked for less than 10 years, as they would not qualify for the State Pension (Contributory).[6]

To further deal with potential measurement error, we exclude those who reported they planned to work longer than the age of 90, and those who reported they retired under the age of 30, even though they had 10 or more years of contributions.[7] We also exclude those who reported

[4] Wave 6 is not included in the report because it was collected during the COVID-19 pandemic and possibly affected retirement decisions of the respondents.
[5] Everyone did not necessarily respond to this question in every wave. Individuals may therefore not be retained in each wave if this variable is missing.
[6] See Table A2 in the appendix for the exact breakdown of dropped observations by category.
[7] Most individuals who said they had retired under the age of 30 also reported caring duties for longer periods of time.

being retired but did not report the year of retirement; those who reported working for longer than the age of retirement; and those who did not report whether they contributed to an occupational pension or were in receipt of one.

The question on work before retirement does not distinguish between previously self-employed and employed individuals. To determine retired employees, we include those who said they had retired at the 'normal retirement age', who were either in receipt of a State pension or an occupational pension, and exclude those who were retired and in receipt of only a private pension.

Those who were currently employed and contributing to an occupational pension scheme, or those who were currently retired and in receipt of an occupational pension, were deemed to have occupational pension coverage.

Table 1 summarises the main background characteristics of the total sample (column 1) and by occupational pension coverage (columns 2 and 3). There are 8,836 observations in the total sample.[8] Of those, 62.7 per cent (5,546) were either contributing to an occupational pension or were in receipt of one, and therefore had occupational pension coverage.

The average age of respondents in our sample was 63.5 – 62.3 for those with occupational pension coverage and 65.5 for those without. The vast majority (91 per cent) of our sample was of Irish nationality (born in Ireland), and there was an equal share of employed (52 per cent) and retired (48 per cent), and men and women (47 per cent and 53 per cent respectively) in the sample. However, of those without coverage, 58 per cent were women. This ties in with the recognised lower occupational coverage rate of women (for example, in the sample of retired individuals, 63 per cent of men had an occupational pension compared to 54 per cent of women).

[8] The largest sample is in wave 1, collected in 2009/10. In subsequent samples there is expected attrition due to respondents dropping out of the survey, death, illness and disability, among other reasons.

Table 1 Descriptive statistics, pooled sample 2010–2018

	(1) Total	(2) With occupational pension coverage	(3) Without occupational pension coverage
Age	63.51	62.35	65.46
Irish (%)	91	91	90
Retired (%)	48	43	56
Employed (%)	52	57	44
Male (%)	47	51	42
Female (%)	53	49	58
Primary ed (%)	18	12	29
Secondary ed (%)	38	35	43
Tertiary ed (%)	44	53	28
Public sector (%)	51	58	24
Private sector (%)	39	42	35
Usual hours worked per week	17.84	20.63	13.15
Rural (%)	30	30	31
Urban (excl. Dublin) (%)	23	23	22
Dublin (%)	21	25	13
Years worked	38.10	38.28	37.78
Observations (N)	8,836	5,546	3,290

Source: Own calculations using TILDA.
Notes: This table shows descriptive statistics of the main sample, pooled waves 1–5.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.
Separate responses are treated separately since the reported planned age might change.
Age, hours worked and years worked are means of the sample; the rest are percentages of the sample for each characteristic.
Sector and location variables do not add to 100% due to missing observations.

In terms of education, 18 per cent of the sample had no qualifications or only primary education, 38 per cent had secondary education and 44 per cent of the sample had tertiary education. Those with occupational pension coverage were more likely to be tertiary educated (53 per cent), compared to 28 per cent of people without occupational pension coverage.

Both those with and without occupational pension coverage had worked around 38 years up to the time of interview. Employed individuals with coverage worked 20 hours per week on average, whereas those without coverage worked 13 hours per week. Half of our sample were public sector employees – 58 per cent of those with occupational pension coverage compared to 24 per cent of those

without coverage. Retired former public sector employees all had occupational pension coverage.

In the rest of the report we focus on the ages of planned and actual retirement by occupational pension coverage and socioeconomic characteristics. Respondents still in employment answered the question at what age they planned to retire, whereas retired individuals provided the year of their actual retirement. We use their year of birth and year of actual retirement to calculate the age at which they retired. Furthermore, using a small subsample of individuals who reported both planned and actual retirement ages, we estimate the effect of occupational pension coverage on retirement age using an OLS regression.

Chapter 3

Retirement age gaps

3.1 Descriptive analysis of planned and actual retirement ages

In this chapter we present average planned and actual retirement ages by occupational pension coverage. We further investigate heterogeneity by gender, level of education, public or private sector employment, and location.

The first row of Table 2 shows average planned and actual retirement ages by coverage for the sample. Individuals without occupational pension coverage plan to retire at the age of 65.6, very close to 66, which is the eligibility age for the State pension. Those with occupational pension coverage plan to retire a few years earlier, at 63.5. However, both groups actually retired close to the age of 61. The gap between planned and actual retirement ages is almost 5 years for those without coverage, but less than 3 years for those with coverage. Both differences are statistically significant.[9]

The difference in retirement age gaps is driven by the planned retirement age, meaning that those with coverage retire closer to the age they planned to retire at, compared to those without coverage. The gap between planned retirement ages of those without and with coverage (column (4) minus column (1)) is 2.1 years and is statistically significant (p-value = 0.000), whereas the gap between actual retirement age (column (5) minus column (2)) is 0.2 years and is not statistically different than 0 (p-value = 0.4).

[9] This is not indicative of a causal effect and may be linked to other characteristics – for example, occupation or sector of employment.

Table 2 Average planned and actual retirement ages by coverage

	With occupational pension coverage			Without occupational pension coverage		
	Planned (1)	Actual (2)	Gap (1)-(2)=(3)	Planned (4)	Actual (5)	Gap (4)-(5)=(6)
All	63.5	60.8	2.7***	65.6	61.0	4.6***
Male	64.1	61.1	3.0***	66.2	63.6	2.6***
Female	63.1	60.5	2.6***	65.3	58.6	6.7***
Primary ed.	64.9	62.0	2.9***	66.3	61.7	4.6***
Secondary ed.	63.8	60.1	3.7***	65.6	60.6	5.0***
Tertiary ed.	63.2	60.9	2.3***	65.4	60.4	5.0***
Public sector	63.0	60.8	2.2***	65.4	N/A	N/A
Private sector	64.3	60.9	3.4***	65.7	62.7	3.0***
Rural	63.4	60.5	2.9***	65.7	62.1	3.6***
Urban	63.9	60.7	3.2***	65.6	60.5	5.1***
Dublin	63.5	61.4	2.1***	65.8	61.5	4.3***

Source: Own calculations using TILDA.

Notes: This table shows average planned and retirement age by coverage for the main sample from Table 1, TILDA waves 1–5, and by gender, education, sector and region.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.
Columns (3) and (6) show the retirement age gap between planned and actual retirement ages. Statistical significance levels are indicated by asterisks: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.
We do not observe enough public sector employees without coverage to report their actual retirement age.

These results indicate that while those with and without coverage retire at a similar age, individuals with coverage are more precise in planning for retirement compared to those without coverage. We further investigate reasons for retirement and retirement incomes in Section 3.2, and analyse the retirement age gap on a subsample of individuals who have reported both planned and actual retirement ages.

The rest of Table 2 shows planned and actual retirement ages by individual characteristics. Regardless of the gender, education, location or sector, individuals without coverage planned to retire close to the age of 66, which is the State pension eligibility age. The biggest retirement age gap was reported by women without coverage, who retired at the age of 58.6 on average, resulting in a gap of almost 7 years. On the other hand, women with occupational pension coverage planned to retire at the age of 63 and actually retired at the age of 60,

resulting in a gap of 2.7 years, similar to men with occupational pension coverage.

Regardless of the obtained educational level of respondents, those with occupational pension coverage consistently retired 2.3 to 3.7 years earlier than planned, while those without coverage retired 4.5 to 5 years earlier than planned.

Retirees who had worked in the public sector prior to retirement all had occupational pension coverage. In the private sector, however, retirement age gaps were around 3 years regardless of coverage.

Of those with occupational pension coverage, individuals living in Dublin had the lowest retirement age gap (2 years), and those living in other urban environments and rural areas around 3 years. The gap was bigger for those without occupational coverage – 5 years for those living in non-Dublin urban areas, with those living in in rural areas having the lowest gap of 3.5 years.

To summarise, those with occupational pension coverage planned to retire 2.7 years later than they actually did, at the age of 60.8. On the other hand, those without occupational pension coverage reported they planned to retire close to the age of 66 (State pension eligibility age), but in reality they retired 4.5 years earlier. This gap seems to be mainly driven by gender, where women without coverage retired at the age of 58.5, reporting the highest gap between planned and actual retirement ages – 6.7 years. In the next subsection, we further investigate reasons for retirement and incomes people receive in retirement by occupational pension coverage.

3.2 Reasons for retirement and income levels in retirement by occupational pension coverage

The key result shows that women without occupational pension coverage retire earlier than those with coverage. The next question then is, what are the reasons for early retirement and what incomes do they receive in retirement? We look at these questions by occupational pension coverage for retirees in our sample.

The response rate to the 'reasons for retirement' question was 50 per cent; therefore, we only briefly discuss the top three reasons for

retirement that were reported. Of individuals who answered the question on reasons for retirement, 74 per cent of those with occupational pension coverage said they retired because they became eligible for a State pension, occupational pension or had reached the age of retirement in their contract. In the group without coverage though, the main reason was State pension eligibility (50 per cent). Of the remaining 50 per cent, 47 per cent said they had retired to enjoy life and spend more time with family.[10] Although we find that *on average* individuals retire earlier than the State pension age, many respondents will wait until they reach State pension eligibility. Additionally, for those with coverage an occupational pension can be claimed before the State pension age, depending on the contract.

Further, we calculate weekly incomes in retirement for those with and without coverage, split into three major groups: (i) Benefits (Disability Allowance and Benefit, Jobseeker's Allowance and Benefit, Carer's Allowance, Supplementary Welfare Allowance), (ii) Occupational pension and (iii) State pensions (Contributory, Non-contributory, Transition, Widow's and Widower's, Invalidity). We do not take into account rental or investment income, inheritances and other windfalls, but only income that is a direct consequence of employment, PRSI contributions and State support. This helps us to better understand the difference occupational pension coverage is making in contrast to benefits and State pensions.

Table 3 shows mean and median weekly income by occupational pension coverage. The mean weekly amount of benefits and State pensions is fairly similar for those with and without coverage – €177–€198 per week in benefits and €220–€227 in State pension. Median benefit and State pension amounts are the same for those with and without coverage.

The average weekly occupational pension is driven by outliers, as shown by the standard error of the mean, and therefore we focus

[10] Other reasons for retirement in both groups were redundancy, own ill health, ill health of a relative/ friend, and retiring at the same time as spouse. The number of observations in some cells is too small to report.

primarily on the median. Median occupational pension receipt is €368 per week. This brings the total (median) weekly income of those with occupational pensions to €460 per week, whereas those without occupational pensions receive an average of €230 per week.[11]

Table 3 Weekly income in retirement by occupational pension coverage

Weekly income type	With occupational pension coverage (€)	Without occupational pension coverage (€)
Benefit (mean)	198.18	177.19
	(74.12)	(76.25)
Benefit (median)	188.00	188.00
Occupational pension (mean)	631.84	N/A
	(2,339.08)	
Occupational pension (median)	368.24	N/A
State pension (mean)	220.28	227.05
	(70.64)	(54.71)
State pension (median)	230.00	230.00
Total income (mean)	727.40	226.47
	(2,263.36)	(57.21)
Total income (median)	460.30	230.00
Observations (N)	2,222	1,536

Source: Own calculations using TILDA.

Notes: This table shows mean and median benefit and pension receipt per week for those with and without occupational pension coverage. Total income is the sum of all three components. Standard deviations are in brackets.
Values are presented in nominal terms; however, inflation was relatively low over the period (2010–2018, consumer price index of 4.8 per cent).
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.

Table 4 shows pension income breakdown by gender. Median retirement income for men with coverage is €529, whereas women with coverage receive €372 per week. Men and women without coverage receive €225–€230 per week, suggesting no pension gender gap in the group without occupational pension coverage. As previously shown by Nolan et al. (2019), we also find the gender pension gap is driven by occupational pension coverage.

[11] For more details on income adequacy in retirement in recent years, see Beirne et al. (2020) and Kakoulidou et al. (2024).

Table 4 Weekly income in retirement by coverage and gender

Weekly income type	With occupational pension coverage (€)		Without occupational pension coverage (€)	
	Men	Women	Men	Women
Income (mean)	874.71	504.45	233.85	218.60
	(2,818.41)	(880.43)	(64.08)	(47.66)
Income (median)	529.19	372.06	230.00	225.80
Observations (N)	1,338	884	792	744

Source: Own calculations using TILDA.

Notes: This table shows mean and median weekly income as a sum of received benefits, occupational pension and state pensions by occupational pension coverage and gender. Standard deviations are in brackets.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.

Overall, although workers retire at a similar age regardless of their occupational pension coverage, those with coverage retire to significantly higher incomes. For women without coverage, who retire 2 years earlier than women with coverage, this translates into almost €150 less income per week.

3.3 Regression prediction of retirement age by coverage

In this section we isolate the main drivers of retirement age by coverage, and control for potential interactions between gender and education that could drive the retirement age gap found descriptively in Section 3.1.

We do so using an ordinary least square (OLS) regression, estimating four separate regressions for each dependent variable. The dependent variables are planned retirement age with and without occupational pension coverage, and actual retirement age with and without occupational pension coverage. We regress the dependent variables on gender and education, the key sociodemographic variables from Section 3.1. The regression output is presented in Table A1 in the appendix. Using the regression coefficients, we predict planned and actual retirement ages, shown in Table 5. The resulting predicted retirement ages are very similar to the descriptive average retirement ages from the data. This means that gender and education are the main drivers of both planned and actual retirement ages, as we are able to accurately predict them controlling for those two factors.

Table 5 Gender and education as the two main drivers of retirement age

		Planned retirement age	Actual retirement age
With coverage	Data	63.5	60.8
	Regression	63.8	60.7
Without coverage	Data	65.6	61.0
	Regression	65.7	60.6

Source: Own calculations using TILDA.
Notes: This table shows average planned and actual retirement ages by coverage from the data ('Data') and predicted using regression coefficients shown in Table A1 in the appendix ('Regression').
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear across different waves.

3.4 Panel subsample analysis

So far we have descriptively analysed planned retirement age for working individuals and actual retirement age for retired employees. However, we were not able to observe both planned and actual retirement ages for the whole sample as some people were already retired in wave 1, while others were working at the end of wave 5 and we never observe them as retired. To calculate retirement age gaps longitudinally, we build a panel subsample of individuals for whom we observe both planned and actual retirement ages.

The sample are individuals who participated in more than one wave and retired in between those waves, so they answered both planned and actual retirement age questions.[12] We are left with a panel of 539 individuals, 80 per cent of whom have occupational pension coverage. The sample is much smaller and has a higher share of those with coverage compared to the main sample, which should be kept in mind when interpreting the results in this section.

We begin with descriptively calculating planned and actual retirement ages for the subsample.[13] Table 6 shows that – as in the main sample – those without coverage plan to retire close to age 66 (65.8) but actually retire at 63.6. The retirement age gap for those without coverage (just over 2 years) is smaller than in the main sample, where it was almost 5 years. Those with coverage retire 1.5 years earlier than planned.

[12] For individuals reporting actual retirement age in more than one wave there is no variation over time. For individuals reporting multiple planned retirement ages, although it is an interesting research question in and of itself, we take the average planned retirement age due to the small number of such individuals in the sample.
[13] We do not further break down the sample by individual characteristics because of the small sample size.

Table 6 Retirement age gap on a subsample of panel individuals

	Planned retirement age	Actual retirement age	Retirement age gap
With coverage	63.2	61.7	1.5***
Without coverage	65.8	63.6	2.2***

Source: Own calculations using TILDA.

Notes: This table shows planned and actual retirement ages on a subsample (N=539) of individuals who reported both planned and actual retirement ages. Standard errors are in brackets for the means.
The final column shows the gap between planned and actual retirement ages.
Statistical significance levels are indicated by asterisks: *** p < 0.01, ** p < 0.05, * p < 0.10.

Those without coverage retired almost 3 years later than the equivalent group in the main sample, but similar to the main group had a larger retirement age gap than those with coverage.

We further explore the question of whether having occupational pension coverage is what drives the retirement age gap. We estimate the following OLS regression separately on planned and actual retirement ages and the gap between the two:

$$Y_i = \alpha + \beta \cdot Coverage_i + \boldsymbol{\gamma}' \boldsymbol{X}_i + \epsilon_i$$

Y_i are outcome variables for individual i: planned retirement age and actual retirement age. $Coverage_i$ is a dummy variable equal to 1 if individuals have occupational pension coverage and 0 if not. $\boldsymbol{X}_i$ is a vector of control variables that are the main drivers of retirement ages, gender and education. ϵ_i are robust standard errors.[14]

Table 7 shows that having coverage reduces planned retirement age by around 2.3–2.5 years, compared to those without coverage. Controlling for gender and education does not change that marginal effect of having coverage, although education is statistically significant. Similarly, having occupational pension coverage decreases actual retirement age by 1.9–2 years, even when controlling for gender and education.

[14] Ideally, we would also like to control for the interactions between coverage and background characteristics and time-invariant unobservables (individual fixed effects), and cluster standard errors on the individual level; however, the sample size is too small for this exercise.

Table 7 Occupational pension coverage as the driver of retirement age

	Outcome: actual retirement age			Outcome: planned retirement age		
Coverage=1	-1.980***	-1.974***	-1.876**	-2.526***	-2.569***	-2.362***
	(0.582)	(0.575)	(0.579)	(0.322)	(0.322)	(0.320)
Female		0.0650	0.358		-0.431	-0.114
		(0.416)	(0.429)		(0.317)	(0.315)
Primary ed. (ref)			0			0
Secondary ed.			-2.679**			-1.827***
			(0.916)			(0.481)
Tertiary ed.			-2.440**			-2.590***
			(0.892)			(0.489)
N	539	539	539	539	539	539
adj. R^2	0.024	0.022	0.042	0.071	0.072	0.108

Source: Own calculations using TILDA.
Notes: This table shows the effect of having occupational pension coverage on planned and actual retirement ages, on a subsample of longitudinally observed individuals. Statistical significance levels are indicated by asterisks: *** p < 0.01, ** p < 0.05, * p < 0.10.

Table 8 shows that having occupational pension coverage does reduce the retirement age gap by around half a year, although that effect is not statistically significant. This is likely due to the structure and size of the sample.

Table 8 Occupational pension coverage as the driver of the retirement age gap

	Outcome: planned–actual retirement age		
Coverage=1	-0.546	-0.595	-0.487
	(0.514)	(0.511)	(0.507)
Female=1		-0.496	-0.472
		(0.367)	(0.384)
Primary ed.=1			0
Secondary ed.=1			0.852
			(0.886)
Tertiary ed.=1			-0.149
			(0.856)
N	539	539	539
adj. R^2	0.001	0.002	0.011

Source: Own calculations using TILDA.
Notes: This table shows the effect of having occupational pension coverage on the retirement age gap, on a subsample of longitudinally observed individuals. Statistical significance levels are indicated by asterisks: *** p < 0.01, ** p < 0.05, * p < 0.10.

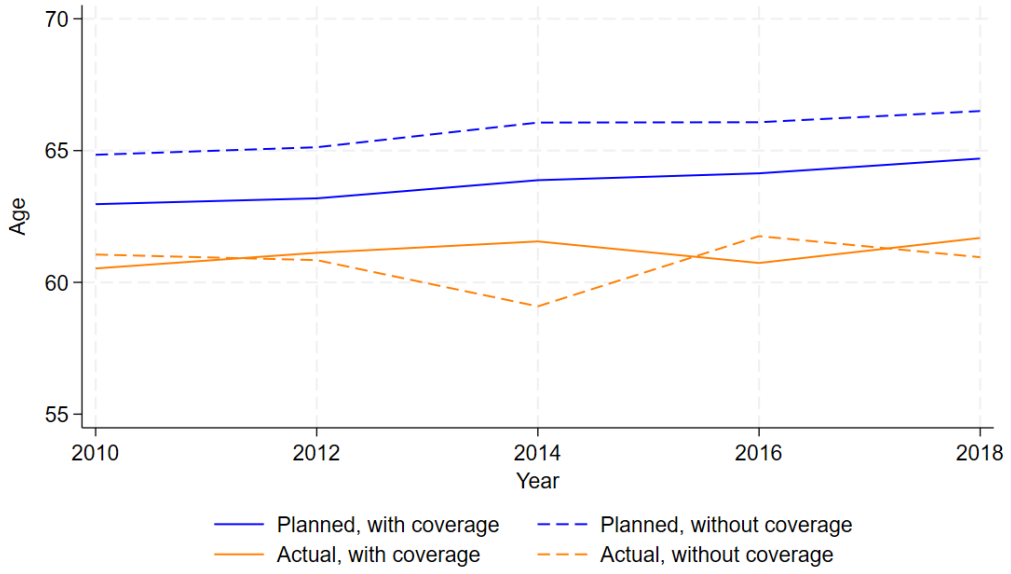
Chapter 4

Retirement age gaps over time: 2010–2018

In this chapter we descriptively analyse planned and actual retirement ages over time. We decompose them by gender and education, the two main factors from Chapter 3.

Figure 1 shows planned and actual retirement ages over time from our main sample, presented in Table 1.[15] Planned retirement age is stable over time, regardless of the coverage. For those with coverage it is at around 63 years of age, and for those without coverage it is at around 66 years of age, reflecting the average planned retirement age in the pooled sample. Actual retirement age for those with coverage is also stable over time and close to the age of 60. On the other hand, for those without coverage, actual retirement age decreases in 2014 and increases again in 2016.

Figure 1 Planned and actual retirement ages by coverage over time



Source: Own calculations using TILDA.
Notes: This figure shows the average planned and actual retirement ages by coverage for each wave separately.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.

[15] Bearing in mind the survey captures the same individuals over time the graph incorporates both time and age effects.

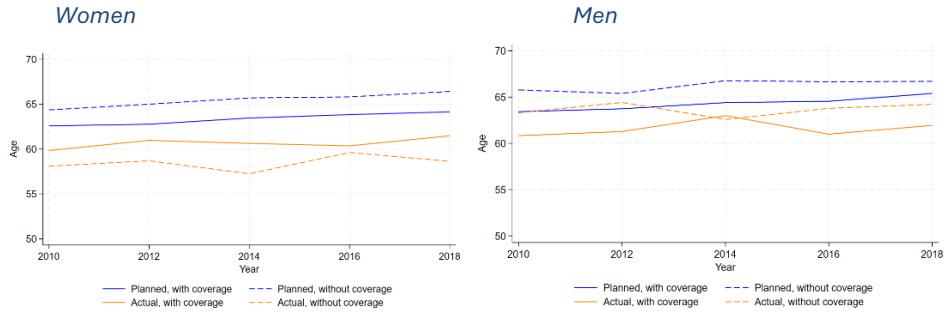
Although it is beyond the scope of this report to answer the question as to why this is the case, there are a few factors that could have influenced this change. One is that Ireland was exiting the Great Recession around that time which could have affected employees' retirement decisions, as shown by Barrett and Mosca (2013); secondly, the State Pension (Transition)[16] was abolished in 2014; and thirdly, in 2010 it was announced that the State pension age would increase to 66 in 2014, 67 in 2021 and 68 in 2028. These latter two increases were not subsequently carried out, but the uncertainty may have impacted retirement behaviour.[17]

Breaking retirement age down by gender (Figure 2), it is first visible that the gap between planned and actual retirement ages is much narrower for men than for women. In addition, among women the gap between planned and actual retirement ages is much larger for those without occupational pension coverage. Thirdly, both men and women without coverage retire earlier around 2014 than other years, although women at a younger age than men. Finally, planned retirement age remains stable over the observed period, regardless of coverage and gender.

[16] This was a payment formerly available in Ireland for qualified retirees aged 65.

[17] Several papers have analysed this reform: Barrett and Mosca (2013) found no effect on plans for retirement from the 2010 announcement of the reform; Redmond et al. (2017) found no positive effects on employment of affected individuals close to pension age; and Tuda et al. (2026) confirmed no employment effects and found a substitution in other welfare benefits. These results may be partly driven by mandatory retirement ages in place at the time. The 2025 Employment (Contractual Retirement Ages) Act allows employees to notify their employer they do not consent to mandatory retirement at the age set in their contract (i.e. if that is below the State pension age). This may result in increased employment for older cohorts.

Figure 2 Planned and actual retirement ages by coverage over time

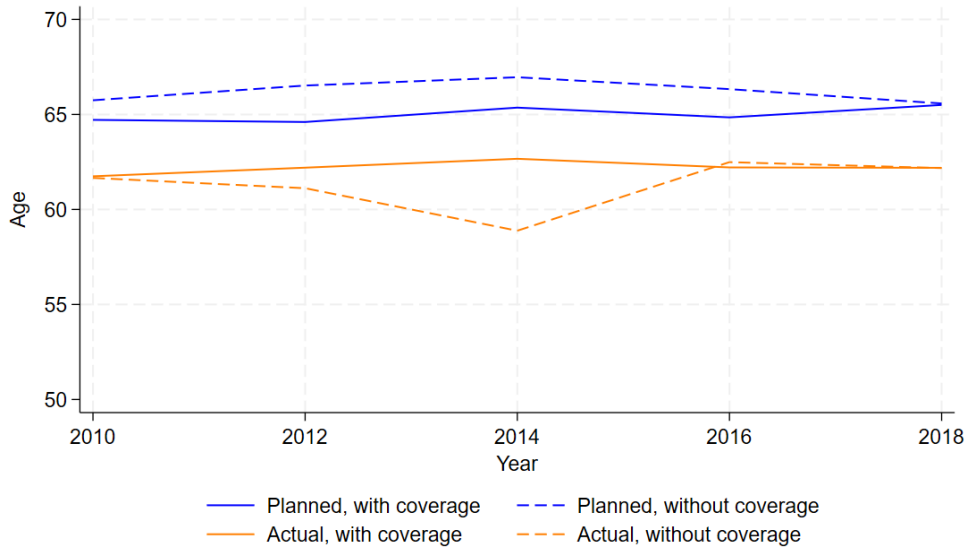


Source: Own calculations using TILDA.

Notes: This figure shows the average planned and actual retirement ages by coverage for each wave separately.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.

Figures 3–5 show average retirement age by coverage and education. Similar to the breakdown by gender, planned retirement age remains stable over time, regardless of coverage or education, as does actual retirement age of those with occupational pension coverage. Actual retirement age of those without coverage, especially with primary and (slightly less so) secondary education, decreases in 2014 and goes back to the pre-2014 level in 2016.

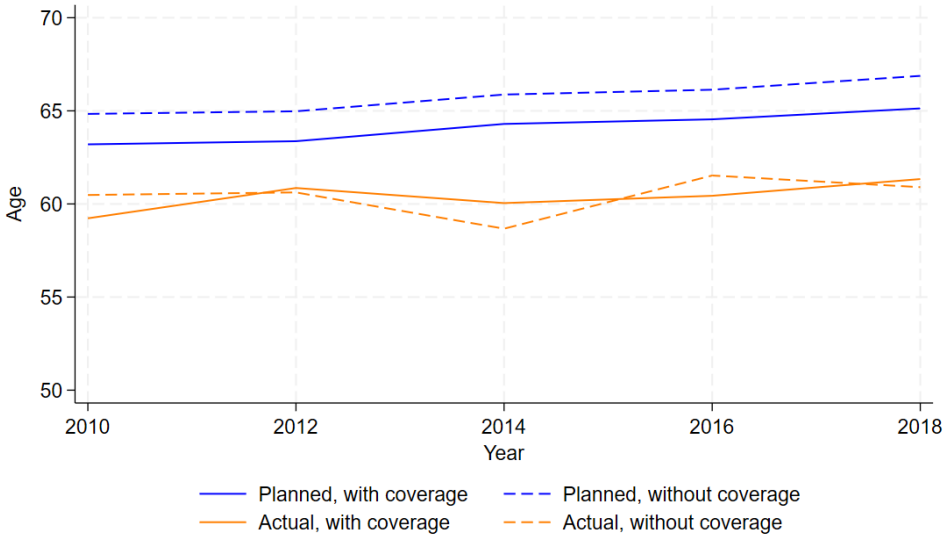
Figure 3 Planned and actual retirement ages by coverage over time, primary education



Source: Own calculations using TILDA.

Notes: This figure shows the average planned and actual retirement ages by coverage for each wave separately.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.

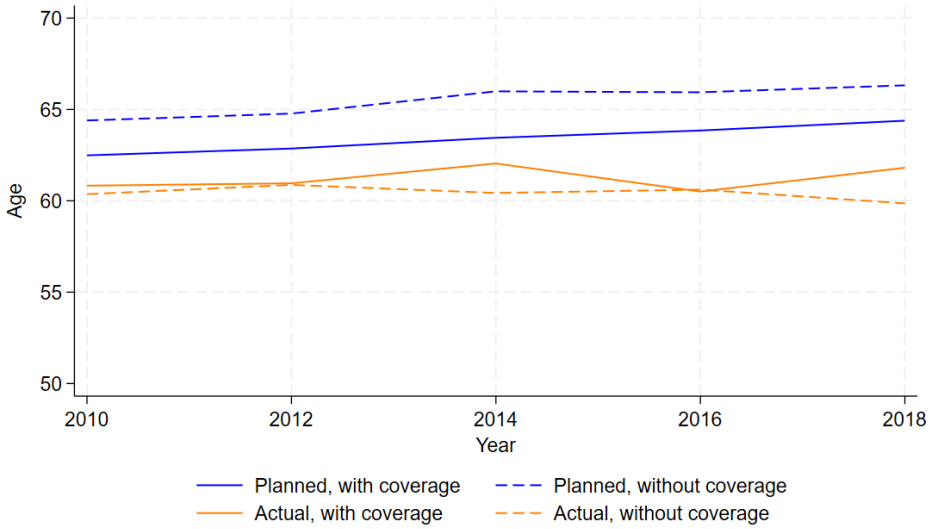
Figure 4 Planned and actual retirement ages by coverage over time, secondary education



Source: Own calculations using TILDA.

Notes: This figure shows the average planned and actual retirement ages by coverage for each wave separately.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.

Figure 5 Planned and actual retirement ages by coverage over time, tertiary education



Source: Own calculations using TILDA.
Notes: This figure shows the average planned and actual retirement ages by coverage for each wave separately.
People pre-retirement were asked in every wave when they planned to retire and therefore the same individual can appear in these statistics across different waves.

In summary, employees without coverage planned to retire around the age of 66 and this remains stable over time (as the sample ages). Similarly, those with coverage planned to retire at around the age of 63, but in reality retired around the age of 60 with very little variation over time. Both men and women without coverage retired earlier in 2014, which was mostly driven by those with primary and secondary education and could potentially be related to the macroeconomic environment and policies introduced at the time.

Chapter 5
Conclusion

In this report we examined planned and actual retirement ages among older employees in Ireland, comparing individuals with and without occupational pension coverage. Using data from TILDA 2010–2018, we document sizeable differences in both expected and realised retirement outcomes across these groups.

We find that individuals with occupational pension coverage planned to retire earlier than those without coverage (around age 63.5 versus close to the State pension age of 66). In practice, both groups were observed to retire at a similar age of 61. This implies a smaller retirement age gap for those with coverage and a larger gap for those without coverage. The gap was driven mostly by women without coverage, who had the highest gap between planned and retirement ages of 7 years.

While actual retirement timing was broadly similar across groups, retirement incomes in retirement differed greatly. Individuals with occupational pension coverage retired to substantially higher weekly incomes, driven primarily by occupational pension receipts. Average State pension and benefit incomes were similar for those with and without coverage. Consequently, those without occupational pension coverage may experience markedly lower living standards in retirement. Additionally, the gender pension gap wais driven by occupational pension coverage, with women less likely to be covered by an occupational pension and receiving a lower value even when covered.

The narrower retirement age gap among those with occupational pension coverage suggests better alignment between planned and actual retirement timing. However, as we focus on a strict sample of current and retired employees, and exclude those with caring responsibilities, health- and disability-related retirement, it is likely that population-representative retirement age gaps are even larger. This has important implications for public finances. Although our findings do not suggest that occupational pension coverage substantially alters the age at which employees exit the labour market, employees generally retire earlier than the State pension eligibility age. This can potentially result in foregone tax and PRSI revenue for the

Exchequer, but also increased pressure on public spending on benefit, health and care expenditures (e.g. Bodnar and Nerlich, 2022; Koutsogeorgopoulou and Morgavi, 2025).

Overall, occupational pension coverage appears to matter primarily for retirement income adequacy, rather than for retirement timing. As auto-enrolment expands occupational pension coverage in Ireland, future research should assess whether increased coverage improves not only income security but also resilience to labour market shocks and involuntary retirement, especially for women.

References

Barrett, A., and Mosca, I. (2013). 'Increasing the state pension age, the recession and expected retirement ages', *The Economic and Social Review*, *Economic and Social Studies,* 44(4), 447–472.

Beirne, K., Nolan, A., and Roantree, B. (2020). *Income adequacy in retirement: Evidence from the Irish longitudinal study on ageing (TILDA),* ESRI Research Series 107, Dublin, ESRI.

Berscholz, M., Bergin, A., Callan, T., Rodriguez, A.G., and Keane, C. (2019). *A micro-macro economic analysis of pension auto-enrolment options,* ESRI Working Paper.

Bodnar, K., and Nerlich, C. (2022). *The macroeconomic and fiscal impact of population ageing,* ECB Occasional Paper Series 296, Frankfurt, ECB.

CSO. (2024). *CSO statistical release,* Cork, CSO. Online ISSN: 2811-616X.

IFAC. (2020). *Long-term susatinability report: Fiscal challenges and risks 2025–2050,* Dublin, IFAC.

Kakoulidou, T., Keane, C., and Sandorova, S. (2024). *State contributory pension reform: Winners and losers. Evidence from the Irish Longitudinal Study of Ageing,* ESRI Budget Perspectives 202502, Dublin, ESRI.

Keane, C., O'Malley, S., and Tuda, D. (2023). 'The short-term distributional impact of pension auto-enrolment', *The Economic and Social Review*, 54(3), 173-192.

Komp, K. (2017). 'Shifts in the realized retirement age: Europe in times of pension reform and economic crisis', *Journal of European Social Policy,* 28(2), https://doi.org/10.1177/0958928717709174.

Koutsogeorgopoulou, V., and Morgavi, H. (2025). *Ageing populations, their fiscal implications and policy responses*. OECD Economics Department Working Papers, No. 1844, Paris, OECD Publishing.

McHale, J. (2006). *Perspectives on retirement savings policies in Ireland*. ESRI Budget Perspectives 2006/2, Dublin, ESRI.

Nolan, A., Whelan, A., McGuinness, S., and Maitre, B. (2019). *Gender, pensions and income in retirement*. ESRI Research Series number 87, Dublin, ESRI.

OECD. (2014). *OECD reviews of pension systems: Ireland*. Paris: OECD Publishing.

Redmond, P., McGuinness, S., and Kelly, E. (2017). *Did increasing the state pension age in Ireland affect the overall retirement rate of 65 year olds?* ESRI, QEC Special Article, Dublin, ESRI.

Tuda, D., Doorley, K., and Sandorova, S. (2026). *The unintended consequences of a pension age increase. Evidence from Ireland*. ESRI Working Paper.

Appendix

Technical appendix

Table A1 Regression prediction of planned and actual retirement ages using gender and education

	With occupational pension coverage		Without occupational pension coverage	
Outcome	Planned	Actual	Planned	Actual
Female=1	-0.529*	-0.715***	-5.021***	-0.846***
	(0.253)	(0.125)	(0.424)	(0.183)
Primary ed.=1	0	0	0	0
	(.)	(.)	(.)	(.)
Secondary ed.=1	-1.815***	-1.044***	-0.245	-0.573*
	(0.359)	(0.209)	(0.468)	(0.264)
Tertiary ed.=1	-0.990**	-1.575***	-0.0178	-0.654*
	(0.333)	(0.205)	(0.581)	(0.278)
Observations	2,400	3,139	1,838	1,450
Adjusted R squared	0.013	0.030	0.073	0.017

Source: Own calculations using TILDA.

Notes: This table shows the regression output, isolating gender and education effects, on planned and actual retirement ages by occupational pension coverage. These coefficients are used to predict planned and actual retirement age in Table 5. Statistical significance levels are indicated by asterisks: *** $p < 0.01$, ** $p < 0.05$, * $p < 0.10$.

Table A2 Characteristics of dropped observations, waves 1–5

	N	%
Self-employed	3,610	10.69
Inactive	5,237	15.51
Unemployed	819	2.43
Disabled	4,152	12.30
No paid work or <10 years	1,924	5.70
N/A planned or actual retirement age	8,635	25.57
Errors	349	1.03
Missing occupational pension information	64	0.19
Outliers	141	0.42
Total dropped observations	24,931	73.84
Total sample	8,836	26.16
Total survey	33,767	100

Source: Own calculations using TILDA.

Notes: This table shows the number of dropped observations for each broad category, pooled sample waves 1–5.
'N/A' refers to not available (planned or retirement age) due to non-response.
'Total' is the total number of observations in waves 1–5, listed dropped observations add up to 24,931 and the difference to 33,767 is the sample used in the analysis.

Economic & Social Research Institute

Whitaker Square
Sir John Rogerson's Quay
Dublin 2

Telephone: +353 1 863 2000
Email: admin@esri.ie
Web: www.esri.ie

An Institiúid um Thaighde Eacnamaíochta agus Sóisialta

Cearnóg Whitaker
Cé Sir John Rogerson
Baile Átha Cliath 2

Teileafón: +353 1 863 2000
Ríomhphost: admin@esri.ie
Suíomh Gréasáin: www.esri.ie