Explaining Your Pension

in a Simplified Manner

GUIDEBOOK

BORN ON
AND AFTER 1962

ĠEMMA
know, plan, act.

BORN ON OR AFTER 1962? – HOW WELL DO YOU KNOW HOW THE RETIREMENT PENSION WORKS?

Your retirement is an important life cycle phase – and a long one too. For males, life expectancy is estimated to be 80.4 years, and for females, 84.6 years. Based on these estimations, if you retire at your statutory retirement age of 65 years, your retirement lasts around 15.4 years if male, and 19.6 years if female.

For most people, the main source of income during retirement is the state pension (also known as the National Insurance or NI state pension, the social security state pension and the two-thirds state pension, amongst others).

PLANNING YOUR RETIREMENT

If you haven't started planning for your retirement already, start taking serious steps now. Here are four basic questions to ask yourself:

- Have you determined the quality of life you wish to have once retired?
- Will your retirement pension allow you to live this desired quality of life?
- Is there a gap between the desired quality of life and your income in retirement?
- Have you taken, or at least started planning, action to bridge this gap?

For an effective and correct state pension, start by learning what your state pension income will be upon retiring from work, and how this may be adjusted thereafter. To know that, you need a basic understanding of how the state pension system works. Once you determine the state pension income you will eventually receive, only then can you reach an informed decision on how to create a solid retirement pension plan. An important outcome of being well informed is the ability to alter your work patterns and state pension savings today. This will give you a better chance at earning a higher state pension income later in life.

ĠEMMA RESEARCH

In 2021, ĠEMMA carried out a survey amongst persons born on or after 1962. The purpose of the survey was to identify the extent of their knowledge of how the state pension system works, and their ability to make informed decisions with regards to their state pensionning.

The general picture is worrying. Most people have an extremely vague idea of how the state pension system works and how it directly affects them. This means that there is a high number of individuals who are planning their retirement based on limited, if not the wrong, knowledge.

Basing critical decisions of how you will finance your desired quality of life on the wrong knowledge, or information, may have dire consequences on your quality of life in retirement – especially if your state pension is the sole or main source of income during your retirement.

Here are some of the findings that emerged from the ĠEMMA research:

- 28% indicated to be knowledgeable about the social security contribution that they pay.
- 4% of those born in 1969 and after stated that they must be in possession of a 41-year paid contribution history to qualify for a full state pension – this being the correct reply.
- 4% identified the correct Maximum Pensionable Income ceiling on which their state pension income is calculated.

- 1% identified the options that are open to them if they have gaps in their paid contributory history.
- 2% gave a correct reply to their understanding of what constitutes a ‘credit’ to their contributory history.
- 2% responded correctly with regard to the credit entitlement they may be eligible to with regard to child rearing.
- Only 3% showed that they know what protection the state pension system will provide in the event of the death of their spouse.
- When given a hypothetical scenario of the average basic salary and what their state pension income will be, only 2% provided a correct response. A further 21% presented a vague idea of what the state pension entitlement would be, having indicated that it would be 2/3 of an amount (although they got the amount/maximum capping wrong).

How do you rate your knowledge of how the state pension works and how it affects you?

- Extremely Confident
- Confident enough
- Completely lost

Our team at ĠEMMA is here to guide you. We prepared the following resources for your use to help you understand how the state pension system works.

GUIDEBOOK

This Guidebook explains the key elements of the state pension system and how these affect you – in a simple manner. You can also follow these additional resources in support of this Guidebook:

- Content on various matters relating to the state pension system – click **here**. (**https://gemma.gov.mt/pensions/**).
- Videos on how the state pension system works and how it may affect you – click **here**. (**https://gemma.gov.mt/videos**).

Before going through the Guidebook and the other resources, we suggest that you carry out the Questionnaire in Appendix A. This allows you to rate your level of knowledge of the state pension.

Once completed, put your answers aside. Next, we suggest that you go through the Guidebook and the other resources. Once you do so, we recommend carrying out the Questionnaire a second time. By doing so, you will be able to compare the 'pre-' and 'post-' Questionnaire answers to the correct answers which you will find in Annex B to the Guidebook. Try not to look at the answers before completing the Questionnaire.

FAQS AND OTHER RESOURCES

If you would like to learn more about state pensions, money management and financial capability, we invite you to visit our FAQs page: **https://gemma.gov.mt/frequently-asked-questions/**.

We also suggest going on our tools page: **https://gemma.gov.mt/resources/tools/**

Here you will find a gateway to useful tools developed by the Department of Social Security, one of which is the e-service through which you can inquire after a Tentative Assessment of your state pension income upon retirement.

Direct link: **https://socialsecurity.gov.mt/en/information-and-applications-for-benefits-and-services/contributory-pensions/retirement-pension-tentative-assessment/**

At ĠEMMA, our goal is to provide you with simplified information about state pensions and a general financial outlook to help you make informed financial decisions.

We appreciate your suggestions on how we can improve the dissemination of such knowledge and information – both with regard to how we convey them and the language we use. We look forward to hearing from you at **gemma@gov.mt**.

Stay connected, join us on our social network:

- Web: **www.gemma.gov.mt**
- Facebook: **https://www.facebook.com/gemma.know.plan.act**
- You Tube: **https://www.youtube.com/channel/UCBYOWljTOp15RLgNXUu1h7Q/videos**

The ĠEMMA Team

BORN BETWEEN 1962 AND 1968 AND ARE IN EMPLOYMENT OR WORKING AS A SELF-EMPLOYED PERSON

THE FOLLOWING ARE KEY ASPECTS THAT RELATE TO YOUR STATE PENSION THAT YOU SHOULD BE AWARE OF:

If I am born in 1962 or after - what is my statutory retirement age?
Your statutory retirement age is 65 years.

How do I qualify for a state pension?
You must be in employment or self-employment and pay a social security contribution.

How many contributions do I have to pay in a year?
You have to pay 52 weekly contributions in a year and 53 in a 53-week year, depending on the number of Mondays in the specific year.

Are all the contributions I pay during my working life taken into account?
The contributions paid before you reached the age of 18 years will not be taken into account for the calculation of your state pension. Nevertheless, these contributions count to accumulate:

- **If born between 1962 and 1968:** The necessary 40 years of contributions to receive a full state pension.
- **If born in 1969 or later:** The necessary 41 years of contributions to receive a full state pension.

Is there a minimum threshold of social security contributions that I must pay to qualify for a state pension?

Yes there is. The number of social security contributions that you have to pay to qualify for a state pension is:

> **If born between 1962 and 1968:** 12 years of social security contributions – of which 10 years must be paid and 2 years may be credited contributions.

> **If born in 1969 or later:** 12 years and 16 weeks of social security contributions – of which 10 years must be paid and 2 years and 16 weeks may be credited contributions.

Is there a minimum threshold of social security contributions that I must accumulate to receive a full state pension?

Yes there is. The number of social security contributions that you have to accumulate to receive a full state pension is:

> **If born between 1962 and 1968:** 40 years of social security contributions.

> **If born in 1969 or later:** 41 years of social security contributions.

There were years when I took time off work to travel abroad. I am now worried that my state pension income will be negatively affected.

The Government allows you to fill up to a maximum of 5 years of gaps in your social security contributory history.

To qualify to pay for these gaps you must:

a. be between 59 and prior to your 65^{th} birthday.

b. be in employment or working as a self-employed person.

c. have resided in Malta when the gaps occurred.

You should be aware that you cannot pay for gaps in your contributory history for those periods during which you were employed or worked overseas.

I am self-employed and I failed to pay my social security contributions for the past three years. I need to rectify my position – can I do so?

Yes, you can. You should approach the Department of Inland Revenue. You can pay up to five years of gaps from the year you decide to regularise your position. The social security contributions you pay are based on your income and expenditure statement for the gap years you need to fill.

What happens if I satisfy the qualifying period for a state pension but I do not satisfy the full contributory history?

You will receive a partial state pension.

> **If you were born between 1962 and 1968**

For example, you were born in 1962 and by the time you retired you will have paid 25 years of contributions. The state pension you will be entitled to will be pro-rated on a ratio of 25/40. Thus, if your state pension income entitlement was 2/3 of €19,000 your state pension income will be:

If you had to qualify for a full state pension your state pension income will be:	2/3 x €19,000 = €12,666.67
Given that you only paid 25 full social security contributions out of 40 your state pension will be:	25/40 x €12,667 = €8,233.55

> If you were born in 1969 or later

For example, you were born in 1969 and by the time you retired you paid 25 years of contributions. The state pension you will be entitled to will be pro-rated on a ratio of 25/41. Thus, if your state pension income entitlement was 2/3 of €19,000 your state pension income will be:

If you had to qualify for a full state pension your state pension income will be:	2/3 x €19,000 = €12,666.67
Given that you only paid 25 full social security contributions out of 41 your state pension will be:	25/41 x €12,667 = €8,233.55

Should all of the social security contributions that I must accumulate be paid?

The social security system recognises that there are special instances in your life when you cannot work and, hence, you are unable to pay a contribution. Given that the Government considers such instances to have important social, economic and family implications, the Government actually credits or 'pays' the contributions on your behalf. This ensures that you will have no gaps in your accumulation of contributions which would otherwise result in a lower state pension. It can be the case that in the same year you can have a combination of paid and credited contributions.

The following are examples of special instances that qualify for such credits:

a. Doing volunteer work on projects in human welfare and development, and environmental protection;

b. Child rearing;
c. Receiving unemployment benefits;
d. Receiving an Invalidity Pension;
e. Study period.

You often receive the credits automatically but in some cases you need to take action to get them. For example, for study credits you need to present –

1. A copy of your Graduation diploma or degree;
2. Diploma or degree transcript indicating period/years of study;
3. If degree is not from the University of Malta, a MQF Level certificate (issued by the National Commission for Further Studies and Higher Education).

What is a child credit for child rearing?

The Government recognises the importance of having a child and of the parent spending time to bring up that child. In the event that you terminate your work for parenting up to when the child is 6 years of age, the Government will credit your social security contributions for the time off you take from work to bring up or rear your child as follows:

> **1st Child:** 4 years credit
> **2nd Child:** 4 years credit
> **3rd Child:** 4 years credit
> **4th and further children:** 2 years of credits or less, according to the number of contributions paid, provided employment is resumed, if resumed.

In the event of a severely disabled child, the age of the child is 10 years and the period covered by a credit is doubled: increased from 4 to 8 years.

How do I qualify for a child rearing credit?

You will qualify for a child rearing credit only if you were in employment prior to giving birth and you quit your job or asked for a career break to raise your child.

We have decided that my spouse / partner will put his / her career on hold and that s/he will rear the child. Will s/he qualify for the child rearing credit?

The child rearing credit is gender neutral, thus your spouse or partner will qualify for it.

What are study credits?

The Government recognises that Malta is dependent on the competence and skills of its people. This means that students and workers are encouraged to further their education and lifelong learning. To further incentivise education and secure a talented work force the Government introduced study-related credits. These are presented below.

> **Level 4 - Diploma and Lifelong Learning:** 5 credits for each study year
> **Level 5 - Higher Diploma:** 9 credits for each study year
> **Level 6 - Bachelor:** 26 credits for each study year
> **Level 7 - Masters:** 26 credits for each study year
> **Level 8 - Ph.D.:** 52 credits for each study year

I lost my job. How will my contributory history be affected?

If you were employed and you register for work on the Part 1 Register held by Jobsplus, you will be eligible to credits of contributions for a six-month period.

I was a student-worker / worker-student between 1984 and 1989. Are the social security contributions I paid during that period taken into account when determining my contributory history and for the calculation of my state pension?

All social security contributions paid from the age of 18 to 65 years are taken into account for your contributory history. They are also taken into account in the calculation of your state pension income.

What is the amount of contribution that I pay?

The amount of contribution that you pay depends on the type of work you do. If you are:

a. an employee (otherwise known as Class I) you pay a 10% contribution on your basic wage;
b. a self-employed person (otherwise known as Class II) you pay a 15% contribution on your annual net earnings.

I work part-time. How does the social security system affect me?

If you work less than 40 hours per week and earn less than the National Minimum (weekly) Wage, you can opt to have your social security contribution paid at the rate of 10% of the basic weekly wage. This rate of contribution entitles you to a pro-rata contributory benefit.

What is the difference between a 'basic wage' and 'annual net income?

If you are an employee, you earn a wage (also called 'salary') from your employer. A basic wage is the pay that you receive – excluding overtime, any form of allowance, performance bonus, benefits, etc.

Employed	You	Employee A
Wage	€19,000	€19,000
Allowances	€1,500	€0
Basic Wage	**€17,500**	**€19,000**
Social Security Contribution Paid – 10%	€1,750	€1,900

If you are a self-employed person, you receive earnings generated from your business. The annual net income is the difference between income earned and the expenses incurred.

Self-employed	You	
Income: sales from revenue, projects, etc.	€60,000	
Expenses: rent, mobile, petrol, internet, raw materials, etc.	€41,000	
Net annual income		€19,000
Contribution Paid – 15%		€2,850

I earn €30,000 as an annual basic wage. Do I pay the 10% social security contribution (or 15% if I am a self-employed person and my annual net income is €30,000) on the full amount – that is €3,000?

The contribution that you pay is capped by a designated ceiling. This is known as the Maximum Pensionable Income or the MPI. The Maximum

Pensionable Income in 2021 stands at €25,258. This means that you pay the 10% contribution on the Maximum Pensionable Income of €25,258 – with your annual social security contributions costing you €2,525 – and not on your annual salary of €30,000, which would otherwise cost you €3,000.

The same formula applies also to a self-employed person.

I see from the ĠEMMA site that the Maximum Pensionable Income is €25,258. My salary, however, is €18,000. Is my social security contribution still paid on the Maximum Pensionable Income of €25,258?

The Maximum Pensionable Income sets the limit of the maximum social security contribution that you are entitled to pay. In your case, the 10% social security contribution is calculated on your salary of €18,000 – which means that you will pay an annual social security contributory payment of €1,800.

I still have 20 years to retire: will the Maximum Pensionable Income of €25,258 remain the same over the next 20 years?

The Maximum Pensionable Income increases annually on the basis of an indexation that takes into account the following:

a. the prices of goods and services (technically known as 'Retail Inflation');
b. wages (technically known as 'Wage Inflation').

The indexation formula is:

[70% Wage Inflation + 30% Retail Inflation].

The formula is biased towards 'wage inflation' - which is the general increase in average wages. This is important as it ensures that a strong relationship is maintained between your state pension income and the average wage. This formula has determined the increase in the Maximum Pensionable Income from €20,964 in 2013 to €25,258 in 2021.

Year	Maximum Pensionable Income
2014	€21,431
2015	€21,749
2016	€22,137
2017	€22,803
2018	€23,701
2019	€24,194
2020	€24,986
2021	€25,258

How is my state pension calculated?

Whether you are employed or self-employed the calculation is the same:

> **If born between 1962 and 1968:** Any best 10 years out of your 40 years or more social security contributions paid. Your state pension is calculated using a formula that includes the average of social security contributions paid and the average of salaries earned for any of the best 10 years.

> **If born in 1969 or later:** Any best 10 years out of your 41 years or more social security contributions paid. Your state pension is calculated using a formula that includes the average of social security contributions paid and the average of salaries earned for any of the best 10 years.

How do I qualify for a maximum state pension?

To obtain a maximum social security contribution state pension you must:

> **If born between 1962 and 1968:** over the course of a 40-year contributory period, pay the maximum level of contributions for 10 years. The 10 years are not consecutive.

> **If born between in 1969 or later:** over the course of a 41-year contributory period, pay the maximum level of contributions for 10 years. The 10 years are not consecutive.

My calculations show that I paid the maximum social security contributions for 10 separate years – and my average is €25,258. Is this the annual state pension income that I will receive?

No, it is not. Our state pension system is based on the 2/3rds concept – that is, the Government guarantees that your state pension income during your life is up to 2/3rds of your average salary, subject to the Maximum Pension Income capping.

In your case, therefore, your state pension income is calculated as follows:
2/3 x €25,258 = €16,838.67.

Your annual state pension income is €16,838.67.

Will my state pension income of €16,838.67 remain static during my retirement?

No, it will not. Your state pension income of €16,838.67 will increase every year on the basis of the following indexation formula:

[70% Wage Inflation + 30% Retail Inflation].

This ensures that your state pension income increases as wages and inflation increase.

Over the last 9 years the application of this formula would have seen your state pension income increase by an average of €478 annually.

I want to continue working after I retire at 65 years of age

You have no right to work with your employer once you reach your statutory retirement age. You can work with your employer only if s/he offers you an opportunity to continue to work with her/him. You can seek work with another employer or work as a self-employed person. Continuing to work post 65 years of age you will receive your full state pension. You will also not pay any further social security contributions on your wage or income once you reach 65 years of age. You will, however, pay taxation on income earned.

What age can I take early retirement?

You can retire as early as 61 years of age provided you paid:

> **If born between 1962 and 1968:** 40 years of social security contributions and terminate your employment or self-employment. You will receive your full state pension entitlement when you retire.

> **If born in 1969 or later:** 41 years of social security contributions and terminate your employment or self-employment. You will receive your full state pension entitlement when you retire.

I am planning my retirement. Do all of my social security contributions need to be paid?

> **If born between 1962 and 1968:** No, they do not. Your contributions may be a mix of paid contributions and contributions that the government may have credited to you under the Social Security Act. There is no limit to the number of credits that are to be taken into account to determine your number of social security contributions.

> **If born in 1969 or later:** If you opt for early retirement at 61 years of age, the 41 year contribution will be calculated as follows:

a. **If you were born in 1969** you must have 31 years of contributions paid (these amount to 1,612 monthly contributions) out of a total of 41 years of contributions (which total 2,120 of paid contributions) and up to a maximum of 10 years of credited contributions.
b. I**f you were born in 1970** you must have 32 years of contributions paid (these amount to 1,664 monthly contributions) out of a total of 41 years of contributions (which total 2,120 of paid contributions) and up to a maximum of 9 years of credited contributions.
c. **If you were born in 1971** you must have 33 years of contributions paid (these amount to 1,716 monthly contributions) out of a total of 41 years of contributions (which total 2,120 of paid contributions) and up to a maximum of 8 years of credited contributions.

d. **If you were born in 1972** you must have 34 years of contributions paid (these amount to 1,768 monthly contributions) out of a total of 41 years of contributions (which total 2,120 of paid contributions) and up to a maximum of 7 years of credited contributions.
e. **If you were born in 1973** you must have 35 years of contributions paid (these amount to 1,820 monthly contributions) out of a total of 41 years of contributions (which total 2,120 of paid contributions) and up to a maximum of 6 years of credited contributions.

Can I take early retirement and continue to work?

No. If you retire early you cannot carry out any work – employed or as a self-employed person – until you reach your retirement age. This condition is introduced to discourage you from taking early retirement.

I took early retirement. Now I am bored and want to go back to work. Is this possible?

Yes – you can change your mind and decide to go back to work, however, if you are still under state pension age, your state pension payments will stop and will be re-issued when you reach your retirement age. There is, however, no obligation on your previous employer to employ you back.

Once you get a job – either as an employee or as a self-employed person – it is important that the Jobsplus engagement form is filled. Make sure that your contributions continue to be deducted. Do not hesitate to request a social security contribution record sheet.

Does the Government offer any incentives to make it attractive for me *not to take* up early retirement?

The Government wants you to continue to work. This is important for the sustainability of the state pension system. Studies show that a 1-year increase in retirement age has a 1% positive impact on GDP.

To attract you to work past the Early Retirement Age and to continue to work until you reach the state pension age of 65 years the Government introduced the following incentives:

a. If you work till 62 years and forego your state pension at 61 years of age, your state pension income will increase by 5.0%.
b. If you work till 63 years and forego your state pension at 61 years of age, your state pension income will increase by 5.5%.
c. If you work till 64 years and forego your state pension at 61 years of age, your state pension income will increase by 6.0%.
d. If you work till 65 years and forego your state pension at 61 years of age, your state pension income will increase by 6.5%.

If you work for the full period between 62 years and 65 years, and you forego your state pension during that period, your state pension on retirement will increase by 23%.

In the event that you pass away, your spouse will inherit this increase in her/his state pension income.

I never worked. My husband is now retired and we live on his state pension. What happens to me if my husband passes away?
Given that your husband is in receipt of his state pension, when he passes away you will receive the Survivor's Pension.

The Survivor's Pension entitles you to 5/6ths of your husband's state pension income.

I worked for 15 years and am about to retire. My husband has just passed away. I am not sure what happens next.
The fact that you worked and paid contributions for 15 years means that you should be entitled to a state pension in your own right. This allows you to receive the full state pension income entitled to your husband and not the 5/6ths state pension entitlement under a Survivor's Pension.

You can, therefore, choose the state pension with the highest income between your ex-husband's state pension entitlement and your own state pension.

My husband is 45 years old and has recently passed away. Does the social security system provide me with protection?

Yes. The social security system does provide you with protection. You are entitled to a Widow's Pension. When you reach your state pension age you will receive:

a. a Survivor's Pension; or
b. (if you qualify for a state pension in your own right) a 6/6ths Survivor's Pension or your own state pension entitlement, whichever is the highest.

My husband is 45 years old and has recently passed away. I am informed that the social security system entitles me to a Widow's Pension. May I also work whilst receiving the Widow's Pension?

Yes. You can work and receive whatever income, even from employment, you may earn whilst you are also in receipt of the Widow's Pension. Once you retire on your state pension age you may continue to work with no cap on income whilst receiving:

a. a Survivor's Pension; or
b. (if you qualify for a state pension in your own right) a 6/6ths Survivor's Pension or your own state pension entitlement, whichever is the highest.

QUESTIONNAIRE
ANNEX I

Try out this questionnaire **before** you go through the Guidebook to assess your understanding about how the State Pension System works in your regard. Once you go through the Guidebook, **re-do** the Questionnaire.

Then compare your answers to the pre- and post-Guidebook walk-through to gauge your improvement of your understanding on how the State Pension System works in your regard.

1. On a scale from 1 to 5, how knowledgeable are you about the social security contribution that you pay government?
   ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

2. If you answered 3, 4, 5, **and you are currently in employment**, please indicate what is the social security contribution that you pay government:
   ☐ a. 7%
   ☐ b. 8%
   ☐ c. 10%
   ☐ d. 12%
   ☐ e. Other – please specify
   ☐ f. Don't know
   ☐ g. Not in employment

3. **If you are employed** the contribution you pay is:
   - ☐ a. on my gross wage
   - ☐ b. on my gross wage and all other employment income – transport allowances, overtime, production bonus, transport allowance, etc.
   - ☐ c. on my gross wage but capped to a maximum income
   - ☐ d. on my gross wage and all other employment income – transport allowances, overtime, production bonus, transport allowance, etc., but capped to a maximum income
   - ☐ e. Other – please specify
   - ☐ f. Don't know
   - ☐ g. Not in employment

4. What is the maximum income cap on which you pay your contribution?
   - ☐ a. €20,258
   - ☐ b. €25,258
   - ☐ c. €30,258
   - ☐ d. €35,258
   - ☐ e. On all of my wage or income earned
   - ☐ f. Other – please specify
   - ☐ g. Don't know

5. Are you aware on what basis the maximum pensionable income increases annually?
   - ☐ a. Yes
   - ☐ b. No

If yes,

6. The maximum pensionable income increases annually on the basis of the following formula:
   - ☐ a. 100% general inflation
   - ☐ b. 100% wage inflation
   - ☐ c. 50% general inflation and 50% wage inflation
   - ☐ d. 30% general inflation and 70% wage inflation
   - ☐ e. 70% general inflation and 30% wage inflation
   - ☐ f. Other – please specify

7. The number of contributions you have to pay in a year are:
   - ☐ a. 50 weekly contributions
   - ☐ b. 51 weekly contributions
   - ☐ c. 52 weekly contributions
   - ☐ d. 52 weekly contributions, and in certain weeks 53 weekly contributions
   - ☐ e. Other – please specify
   - ☐ f. Don't know

8. To qualify for a state pension you must be in possession of:
   - ☐ a. 10 years of contributions
   - ☐ b. 5 years of contributions
   - ☐ c. 12 years of contributions
   - ☐ d. 15 years of contributions
   - ☐ e. Other
   - ☐ f. Don't know

9. How many contributions do you need to pay to qualify for a full state pension?
   - ☐ a. 30
   - ☐ b. 35
   - ☐ c. 40
   - ☐ d. 41
   - ☐ e. 42
   - ☐ f. 45
   - ☐ g. Other – please specify
   - ☐ h. Don't know

10. If you have paid 25 years of contributions you will receive:
   - ☐ a. no retirement state pension
   - ☐ b. a pro-rata state pension
   - ☐ c. a means-tested state pension
   - ☐ d. Don't know

11. If you have gaps in your contributory period, you can:
   - ☐ a. do nothing
   - ☐ b. at any time fill all the gaps you have
   - ☐ c. at any time fill up only up to 5 years of missing contributions
   - ☐ d. between the age of 59 and 65 years fill up only up to 5 years of missing contributions
   - ☐ e. at the age of 65 years fill up only up to 5 years of contributions
   - ☐ f. at the age of 65 years fill up all the gaps you have
   - ☐ g. Don't know

12. At what age will you reach state pension age?
   - ☐ a. 61 years of age
   - ☐ b. 62 years of age
   - ☐ c. 63 years of age
   - ☐ d. 64 years of age
   - ☐ e. 65 years of age
   - ☐ f. 66 years of age
   - ☐ g. Don't know

13. To retire early you must be:
   - ☐ a. 61 years of age
   - ☐ b. 61 years of age and have 20 years of contributions
   - ☐ c. 61 years of age and have 40 years of contributions
   - ☐ d. 61 years of age and have 41 years of contributions
   - ☐ e. 63 years of age
   - ☐ f. 63 years of age and have 20 years of contributions
   - ☐ g. One cannot retire early.
   - ☐ h. Don't know

14. If you choose to retire early:
   - ☐ a. I get my state pension and can continue to work as much as I like
   - ☐ b. I get my state pension and can work only part-time
   - ☐ c. I cannot work at all until I reach state pension age
   - ☐ d. I get a state pension income, that is 80% of what my entitlement is, and I can work full time
   - ☐ e. Don't know

15. If you decide not to opt for the early retirement option, your state pension:
    - ☐ a. will not be impacted;
    - ☐ b. will be boosted by an increase of up to 23% on my state pension income if I work till 65 years of age;
    - ☐ c. will be boosted by an increase of 23% on my state pension income if I work till 65 years of age, and my spouse will continue to benefit from this increase following my death;
    - ☐ d. Other – please specify;
    - ☐ e. Don't know

16. Your state pension will be calculated as follows:
    - ☐ a. Best 3 out of the last 10 years
    - ☐ b. Best consecutive 3 out of the last 10 years
    - ☐ c. Best 3 out of the last 40 years
    - ☐ d. Best 10 out of the last 40 years
    - ☐ e. Best 10 out of the last 41 years
    - ☐ f. Best 10 out of the last 45 years
    - ☐ g. Other – please specify
    - ☐ h. Don't know

17. Your average basic salary is €26,258 and you have paid all of your social security contributions – your state pension entitlement is:
    - ☐ a. 2/3 of the salary – €26,258
    - ☐ b. The salary – €26,258
    - ☐ c. 2/3 of the maximum pensionable income €25,258
    - ☐ d. None of the above
    - ☐ e. Don't know

18. A credit to your contributory history is:
- ☐ a. A contribution that the government provides as a bonus.
- ☐ b. A penalty that I have to pay to the Department of Social Security
- ☐ c. A contribution that government awards me for taking any form of break from work
- ☐ d. A contribution that the government awards me for taking a break from work for reasons established in legislation

19. You / your spouse will be entitled to a child care credit up to the age of 6 as maximum, and 10 in the case of severe disability if:
- ☐ a. S/he is to rear a child
- ☐ b. S/he stopped working and took time off to rear a child
- ☐ c. S/he stopped working and took time off to rear a child and must work for the same length of time s/he took off to rear a child
- ☐ d. None of the above.

20. The credits you / your spouse are entitled to are:
- ☐ a. 4 years and only for 1 child
- ☐ b. 4 years for any number of children
- ☐ c. 4 years each for the first 3 children
- ☐ d. 4 years each for the first 3 children and for the 4th and further children 2 years credit for each child, subject to working to cover the period taken off
- ☐ e. Don’t know.

21. Are you aware that you are entitled for credits if you successfully graduated in further and higher education?
   - ☐ a. Y
   - ☐ b. N

If yes,

22. If you successfully graduate in a Bachelors degree / Level 7, the number of credits accredited to your state pension will be:
   - ☐ a. 12 months for each year of study
   - ☐ b. 20 months for each year of study
   - ☐ c. 26 months for each year of study
   - ☐ d. 32 months for each year of study

23. If your spouse passed away before his/her retirement, the contributory social security system will provide you with:
   - ☐ a. the full state pension my spouse would have been entitled to and any income I earn;
   - ☐ b. a widow's state pension and any income I earn;
   - ☐ c. 5/6ths of the state pension my spouse would have been entitled to and any income I earn;
   - ☐ d. a widow's state pension and any income I earn that cannot be more than the widow's state pension;
   - ☐ e. nothing;
   - ☐ f. a means-tested state pension;
   - ☐ g. Don't know.

24. If your husband passes away whilst in retirement, and you are over 61 years of age and eligible for a state pension in your own right, the contributory social security system will provide you with:

- ☐ a. the full state pension my spouse would have been entitled to;
- ☐ b. a widow's state pension;
- ☐ c. 5/6ths of the state pension my spouse would have been entitled to;
- ☐ d. the full state pension my spouse would have been entitled to in the event that I qualify for a contributory state pension in my own right;
- ☐ e. nothing;
- ☐ f. a means-tested state pension.

25. Have you ever tried to work out how much income you will need in retirement?

- ☐ a. Yes
- ☐ b. No

26. On a scale of 1 to 5 (where 1 is not confident at all, and 5 is very confident) how confident are you that you will be financially secure in retirement?

☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5

ANSWERS TO THE QUESTIONNAIRE
ANNEX II

No.	Question	Answer
01.	On a scale from 1 to 5, how knowledgeable are you about the social security contribution that you pay government?	**Self-rating**
02.	If you answered 3, 4, 5, **and you are currently in employment,** please indicate what is the social security contribution that you pay government.	**C**
03.	If **you are employed** the contribution you pay is:	**A**
04.	What is the maximum income cap on which you pay your contribution?	**B**
05.	Are you aware on what basis the maximum pensionable income increases annually?	**Self-rating**
06.	The maximum pensionable income increases annually on the basis of the following formula:	**D**
07.	The number of contributions you have to pay in a year are:	**D**
08.	To qualify for a state pension you must be in possession of:	**C**

09.	How many contributions do you need to pay to qualify for a full state pension: • if you were born between 1962 to 1968 • if you were born in 1969 or later	**C** **D**
10.	If you have paid 25 years of contributions you will:	**B**
11.	If you have gaps in your contributory period you:	**D**
12.	At what age will you reach state pension age?	**E**
13.	To retire early you must have been born: • between 1962 to 1968 • in 1969 or later	**C** **D**
14.	If you choose to retire early	**C**
15.	If you decide not to opt for the early retirement option, your state pension will	**C**
16.	Your state pension will be calculated as follows: • if born between 1962 to 1968 • if born in 1969 or later	**D** **E**
17.	Your average basic salary is €26,258 and you have paid all of your social security contributions – your state pension entitlement is:	**C**
18.	A credit to your contributory history is:	**D**

19.	You / your spouse will be entitled to a child care credit up to the age of 6 as maximum, and 10 in the case of severe disability, if	**B**
20.	The credits you / your spouse are entitled to are:	**D**
21.	Are you aware that you are entitled to credits if you successfully graduated in further and higher education?	**Self-rating**
22.	If you successfully graduate in a Bachelors degree / Level 7, the number of credits accredited to your state pension will be:	**C**
23.	If your spouse passed away before his/her retirement, the contributory social security system will provide you with:	**C**
24.	If your husband passes away whilst in retirement and you are over 61 years of age and eligible for a state pension in your own right, the contributory social security system will provide you with:	**D**
25.	Have you ever tried to work out how much income you will need in retirement?	**Self-rating**
26.	On a scale of 1 to 5, where 1 is not confident at all and 5 is very confident, how confident are you that you will be financially secure in retirement?	**Self-rating**

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