

# The Money Milestone Guide



# Your Money Milestones

Your 20s is a good time to adopt positive financial habits



20s

30s



In your 30s, put deeper roots down in your financial arrangements

By 40, you are more established in life, and your finances should reflect that



40s

50s



In your 50s, continue to hone your personal finances

The finish line of your financial marathon is coming into focus



60s

# Your Money Milestones

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20s

- Set up an Emergency Fund - having ready cash is a first step for any financial plan. Over time, aim for between 3-6 months of take-home pay.
- Start saving for a deposit for your own place – either as a tenant or for your own first home, eventually.
- Begin a Pension Plan – starting early means you can get ‘interest on interest’ on any pension contributions - don’t forget tax relief is available.
- Get Private Medical Insurance Cover - as you’ll no longer be eligible on your parent’s plan as an adult – and because cover gets dearer for older entrants, tax relief applies

# Your Money Milestones

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30s

- Get a mortgage for your first home if possible – a 10% deposit is needed for First Time Buyers - the banks are OK with parents lending a hand.
- Arrange Life Assurance Cover – premiums are cheaper for younger lives; you'll need cover for a mortgage or if there are people who financially depend upon your income.
- Get Income Protection – to cover you long-term if you can't work due to illness or accident – tax relief applies.
- Increase your pension contributions - If there's a pension at work, join up and begin to build your pension pot, tax relief applies.
- Settle any student loans in full – if still hanging over you.

# Your Money Milestones

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40s

- Invest for kid's education costs – Make your money work towards 3rd level college fees (and perhaps accommodation costs) or earlier private school fees, if relevant.
- Consider a mortgage switch – to get better value for money if your own provider is no longer competitive.
- Diversify your personal investments - reduce any over exposure to equities in any one company or sector – spread your risks!
- Monitor your retirement savings – are you on target for a comfortable retirement? Tax relief of up to 25% of earnings may be possible – where affordable.
- Minimise Personal Loans – Aim to pay off any credit card debt quickly and meet car loans etc. when due - eliminate 'lifestyle' loans (that is, loans for 'no particular reason').

# Your Money Milestones

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50s

- Build up your personal wealth / investments – to help supplement your income in retirement or to protect you against career changes before then.
- Focus on your retirement resources – can you afford to invest more money now? – tax relief of up to 35% of earnings may apply.
- Review your mortgage arrangements – what balance and term remains on your mortgage? - should you accelerate payments or invest your money elsewhere?
- Pay for your kid's 3rd level costs – using kid's education fund or form take- home pay, tax relief can apply to college fees.
- Make a will - and an Enduring Power Of Attorney in case of mental incapacity – consider what the tax implications might be.
- Plan for possible elder care costs - for parents or other loved ones – will you need to set aside funds to pay for their full-time medical supervision?

# Your Money Milestones

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60s

- Firm up on your retirement options and plans – will you buy a pension for life when you retire? Will you manage your own funds in retirement? Pros & Cons – take advice
- Invest your pension and your lump sum wisely – make sure to take independent advice about what's best for you with your nest egg
- What about down-sizing your home? - if your home is too big for you now (you're an 'empty-nester') you can release valuable tax-free capital to supplement your income
- Is your mortgage paid off? – it will likely be difficult to pay your mortgage when you're living on your pension
- Review Your Will – your circumstances (financial and personal) might have changed from before – update according to your wishes
- Consider your life assurance – if your life cover has 'done its thing' it may be possible to cancel certain policies and save money – perhaps keep a 'funeral' plan