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» Career Change »

Financial Guide

A practical guide for navigating career transitions with confidence

Changing career is one of the biggest decisions you make and the financial side of it often gets overlooked.

Whether you are moving industries, retraining, going self-employed, or taking a sabbatical, these five tips will give you a simple, clear and practical framework for protecting your finances before, during, and after your career change.

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This guide is written specifically for Irish adults aged 30 and over who have built up some financial foundations but want to make sure they do not knock them over in the process of making a bold career move.

Each point below tackles a distinct financial pillar

1. Income Gap Planning
2. Emergency Fund
3. Pension Continuity
4. Protection Review
5. Rebuilding Savings

The most important step you can take is to speak with **a qualified financial adviser** who understands the Irish market. Knowledge is power, but personalised advice is transformative.

PILLAR 01

Income Gap Planning

How to assess, prepare for, and bridge income fluctuations during your career change

Few career changes come with a seamless handover from one salary to the next. Even if yours does, the income picture usually changes in ways that are easy to underestimate such as a lower starting salary, a probationary period, an unpaid retraining phase, or a gap between jobs. **Planning ahead makes all the difference.**

1 Map your current financial position

Before you hand in any notice, sit down and honestly calculate:

- Your current net monthly income (take-home pay after PAYE, USC and PRSI)
- Your fixed monthly outgoings: mortgage or rent, utilities, loan repayments, insurance premiums
- Your variable spending: food, transport, childcare, subscriptions, social
- The gap between these two figures: your monthly surplus

This exercise tells you how long your current savings can sustain you and how much income reduction is tolerable.

MABS provides a free **Budget Calculator** to help you categorise and total your household expenditure.

2 Project your income gap

Estimate the most realistic timeline for your career change and identify the months where income will be reduced or absent.

Be honest: optimistic projections are one of the most common financial pitfalls during a career transition.

Scenario	Typical Duration
Employment gap (job searching)	1 – 6 months
Part-time retraining alongside work	6 – 24 months
Full-time retraining or education	1 – 3 years
Starting self-employment	3 – 18 months to stable income
Sabbatical or career break	Agreed duration, plan accordingly

3 Build an income bridge strategy

Combining your savings runway with available State supports creates your bridge. Work out:

1. How many months of savings you have available (covered in Pillar 2)
2. Which State payments you qualify for and when they would begin
3. Any income you can earn during the transition (freelance work, part-time roles, rental income)
4. Non-essential spending you can reduce to extend your runway

Avoid dipping into long-term savings (pension funds, investment accounts) to plug a short-term income gap if at all possible. The tax and growth costs are significant. This is exactly where an emergency fund (Pillar 2) does its job.

4 Manage your tax position proactively

A career change often creates a mixed-income tax year. PAYE income for part of the year, then self-employment, jobseeker payments, or a training grant. This complexity can result in underpayments or overpayments of tax.

- If becoming self-employed, register for self-assessment with Revenue promptly (revenue.ie/en/self-assessment)
- If your income falls mid-year, apply to Revenue to have your tax credits redistributed across the remaining months
- Keep records of all income, training fees, and work-related expenses from day one

Talk to a financial adviser or tax professional before your career change, not after. A good adviser can help you sequence your decisions to minimise unnecessary tax liabilities.

PILLAR 02

Emergency Fund

Your financial safety net. How big it should be and how to build it.

An emergency fund is not optional. It is the single most important financial buffer you can have before making a career change. Without it, any unexpected cost like a car repair, a medical bill or a gap in income for a few months forces you into debt or forces you to liquidate long-term savings at the worst possible time.

How large should your emergency fund be?

The standard financial planning guidance is to hold three to six months of essential living expenses in an accessible savings account. However, for those planning a career change, particularly one involving self-employment or retraining, six months is the minimum you should target.

Household Profile	Recommended Fund Size
Single person, renting, no dependants	3 – 4 months of expenses
Couple, renting or mortgage, no dependants	4 – 5 months of expenses
Family with dependants or mortgage	5 – 6 months of expenses
Moving to self-employment	6 – 12 months of expenses
Retraining full-time with no income	Up to 12 months of expenses

Your 'monthly expenses' figure should cover rent or mortgage, utilities, groceries, transport, insurance, loan repayments, and childcare. It should not include discretionary spending that you would cut in an emergency.

MABS provides guidance on calculating household expenditure: **www.mabs.ie**

Where should you keep your emergency fund?

Your emergency fund needs to be accessible, not locked away but also separate from your everyday current account so you are not tempted to dip into it.
A good option in Ireland is a high-interest demand deposit account offering up to 3.1% AER* .

Find the best return for your deposit savings **here.**

* As of 6th May 2026

How to build your emergency fund

If you do not yet have an emergency fund, or it needs topping up before your career change, here is a practical approach:

1. Calculate your target & then multiply your monthly essential expenses by your target number of months
2. Set up a dedicated savings account and label it clearly. This is psychological as much as practical
3. Automate a standing order on pay day, before you can spend the money
4. Direct any windfalls (tax refunds, bonuses, overtime) into the fund first
5. Review and top it up after any period of drawdown

If your career change is 12 months away, saving even €300–€500 per month in that time gets you to €3,600–€6,000 which could be a critical buffer at the right moment.

Maintaining your fund during and after the transition

If you do draw on your emergency fund during your career change, commit to rebuilding it as soon as your new income stabilises. Treat this as the first financial priority once you are earning again ahead of discretionary savings goals.

PILLAR 03

Pension Continuity

Why your pension should not take a career break, even when you do

Pensions are one of the most tax-efficient ways to build wealth in Ireland and one of the most commonly neglected during a career change. A gap of even two or three years in contributions can have a significant impact on your retirement income, thanks to the effects of compound growth over time.

Why pension continuity matters

When you leave an employer, your occupational pension does not disappear. It can continue to grow, but no further contributions enter the pot. The earlier in your career a gap occurs, the greater the long-term cost, because the money lost to missed contributions could have been compounding for decades.

> The Pensions Authority estimates that a one-year gap in pension contributions in your 30s can reduce your final pension pot by significantly more than just one year's worth of contributions, when you factor in lost investment growth.

Understanding your options when you leave an employer

When you leave a job, you have several options for your occupational pension. The right one depends on how long you have been contributing and your future plans.

Option 1 :
Deferred pension (leave it where it is)

If you have been a member of your employer's pension scheme for two or more years, you are entitled to a deferred pension.
This means your pot stays invested in the scheme until you retire. You will not be able to add to it, but it will continue to be invested.

Read for eligibility here

Option 2:
Transfer to a Personal Retirement Bond (PRB)

A PRB (also called a Buy-Out Bond) allows you to transfer your pension pot out of your ex-employer's scheme and into a standalone policy in your own name.
This gives you more control over investment decisions and removes any dependency on your former employer's scheme governance.

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Option 3:
Transfer to a new employer's scheme

If you are moving to a new employer that has an occupational pension scheme, you may be able to transfer your existing pot into the new scheme.
Check with both HR departments and verify the transfer terms carefully.

Option 4 :
Personal Retirement Savings Account (PRSA)

A PRSA is a portable, individually owned pension product. If you are moving to self-employment or to an employer that does not offer a pension scheme, opening or contributing to a PRSA is an excellent way to maintain pension continuity.

- PRSAs are available from life assurance companies and financial institutions
- Contributions attract income tax relief at your marginal rate (20% or 40%)
- Standard PRSA charges are capped by the Pensions Authority

Tax relief on pension contributions

One of the most valuable features of Irish pension contributions is tax relief.

You can contribute and receive relief at your marginal income tax rate, meaning a €1,000 contribution may only cost you €600 if you are a higher-rate taxpayer.

Read for eligibility **here.**

Age	Max % of Net Relevant Earnings
Under 30	15%
30 – 39	20%
40 – 49	25%
50 – 54	30%
55 – 59	35%
60 and over	40%

Self-employment and pensions

If your career change involves becoming self-employed, you are responsible for your own pension planning, as there is no employer contribution to fall back on. A PRSA and a Retirement Annuity Contract (RAC) are the most commonly used vehicles.

- Contributions to a RAC or PRSA are deductible against self-employment income for tax purposes
- You can make contributions up to the deadline for filing your annual tax return (31 October for paper returns, mid-November for ROS filers)
- Consider making a lump-sum contribution in a profitable year to maximise tax efficiency

Pension planning for the self-employed requires more active management than PAYE employment. It is one of the areas where a financial adviser can add the most value. **Read more here**

State Pension. Do not forget your PRSI record

The State Pension (Contributory) is based on your PRSI contribution record. If you take a career break or move to self-employment, your Class A PRSI contributions (which count towards the State Pension) may be interrupted.

- Check your PRSI record online at mywelfare.ie
- You may be able to make voluntary PRSI contributions if you are not currently working
- Gaps in contributions can reduce your eventual State Pension entitlement

Read more here to understand State Pension (Contributory)

Read more here to understand Voluntary PRSI contributions

PILLAR 04

Protection Review

Reviewing your insurance and protection cover when your circumstances change

Your protection policies were set up for a specific version of your life. A career change alters that picture, your income changes, your employer benefits may disappear, and your risk exposure shifts.
This pillar helps you review protection cover so that you remain adequately covered throughout the transition.

Why a protection review is essential during a career change

Many of us have protection cover that is tied to our employment like life insurance through a group scheme, income protection from our employer, or private health insurance where the employer pays part of the premium. When you leave a job, some or all of these may lapse automatically.
Being uninsured, even temporarily, can have severe financial consequences.

Life Insurance

Review whether your life cover is:

- Held through your employer's group scheme (and will lapse on departure)
- Held personally in your own name (portable, continues regardless of employment)
- Appropriate to your current mortgage balance, dependants, and income

If you have group life cover through work that will end when you leave, you should arrange personal life cover in your own name before you exit. This is especially important if your health has changed since you last applied for cover.

Income Protection

Income protection pays a replacement income if you are unable to work due to illness or injury. It is arguably the most important protection product for anyone whose income is their primary asset.

- If your employer provides income protection as a benefit, check whether it continues or lapses during a career break or probationary period in a new role
- Personal income protection policies can cover up to 75% of your salary (less any State Illness Benefit entitlement)
- Premiums qualify for income tax relief at your marginal rate, making them very tax-efficient
- If you are moving to self-employment, personal income protection becomes even more critical as there is no sick pay or employer protection to fall back on

Read more here to understand the citizens information overview of life insurance

Private Health Insurance

Ireland operates a community-rated health insurance market, which means insurers cannot charge you more based on your age at renewal but you may face Lifetime Community Rating (LCR) loadings if you did not take out cover before age 35.

- If your employer currently pays your health insurance premium (fully or partly), factor this cost into your post-change budget
- Downgrading your plan rather than cancelling it entirely is usually wiser as it avoids LCR penalties if you need to upgrade later
- Compare plans using the Health Insurance Authority's free comparison tool **https://www.hia.ie/**

There is a two-month gap provision in Irish health insurance like if you have a break in cover of more than 13 weeks, you may face waiting periods for certain benefits when you rejoin. Avoid unnecessary gaps.

Mortgage Protection

Mortgage protection is legally required in Ireland when you take out a mortgage only on your primary residence.
This cover is typically held in your own name and does not change when you change jobs. However, if your mortgage balance changes (e.g. you remortgage), review whether your cover level remains appropriate.

Read more here to understand the Mortgage protection requirements

Carrying out your protection audit

A practical protection audit involves four steps:

1. List all current protection policies to understand the provider, type of cover, monthly cost and whether they are employer-linked or personal
2. Identify any cover that will change or lapse when you leave your current role
3. Estimate what replacement cover would cost if sourced personally
4. Factor these costs into your career change financial plan

A financial adviser who specialises in protection can often source cover more efficiently and negotiate better terms than going direct.

PILLAR 05

Rebuilding Savings

Getting your savings back on track and growing them once you are through the transition

A career change often requires some drawdown on savings. The goal of this pillar is to help you resume and grow your savings as efficiently as possible once your new income stabilises. The good news is that Ireland has several accessible savings options that are ideal for this phase.

When to start rebuilding

Begin rebuilding your savings as soon as your new income is stable enough to generate a monthly surplus. Do not wait for the perfect moment. Even a modest monthly contribution started early will outperform a larger contribution started late.

The priority order for your surplus income after a career change should typically be:

1. Top up your emergency fund to its full target level
2. Resume or start pension contributions (to benefit from tax relief)
3. Clear any short-term debt incurred during the transition
4. Build medium-term savings for defined goals (home purchase, children's education, travel)
5. Invest for long-term wealth accumulation beyond your pension

Government-Backed and High-Interest Savings Options in Ireland

Irish savers have more options available to them than many realise and finding the right home for your money can make a meaningful difference to how quickly that pot grows.

State Savings

Ireland's State Savings products, issued by the National Treasury Management Agency (NTMA), remain a solid choice for cautious savers.
They are fully Government-guaranteed, and returns are exempt from DIRT and PRSI, making them particularly tax-efficient for higher-rate taxpayers.
These products are worth knowing about, but they are not always the most competitive option when it comes to growth.

Exploring Higher-Interest Savings

If you want your money to work a little harder, it is worth knowing that Irish savers can now access savings accounts from banks across Europe, often at rates that comfortably outpace what is available domestically.
These platforms are fully regulated and deposits are protected under EU deposit guarantee schemes.

A good starting point for understanding what is available to you is the savings section at **askpaul.ie/services/saving**. It breaks down the different savings options in plain English from short-term accessible accounts to longer-term fixed-rate products and helps you figure out the best option based on what suits your timeline and goals.

Whether you are rebuilding your emergency fund, saving towards a specific goal, or simply trying to make sure your money is not sitting idle, it is worth spending ten minutes browsing what is out there before you decide where to put it.

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Building a savings habit after a career change

The most effective approach to rebuilding savings is to automate them. On the day you get paid, a standing order should move a pre-agreed amount into a separate savings account before you can spend it. This approach, known as paying yourself first, consistently outperforms trying to save whatever is left at the end of the month

> Even a standing order of €100 per month, maintained consistently, will accumulate to €1,200 per year. After five years that is €6,000 before any interest and forms the base for a growing financial buffer.

Talk to a Financial Expert

The most important move you can make before, during, or after your career change

This guide has walked you through five financial pillars that matter enormously during a career change. But a guide can only take you so far. The decisions you make around income, pensions, protection, and savings are deeply personal and shaped by your age, your household, your debt level, your risk appetite, and your goals.

A qualified financial adviser does not just tell you what products to buy. They help you make sense of your complete financial picture, identify the risks you might have missed, and sequence your decisions in the order that makes the most financial sense for you specifically.

When should you speak to an adviser?

Before your career change
to stress-test your plan and identify gaps

During your career change
to help manage income tax, pension decisions, and protection

After your career change
to rebuild savings and invest efficiently

There is no wrong time to seek financial advice but the earlier you engage, the more options you have available.

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Your career change is an opportunity.

Make sure your finances are ready to support it.

Speak to a qualified financial adviser today.

Need help?

Book a no-cost no-obligation consultation with our qualified financial advisers at askpaul.ie

No jargon, just real advice that works

WARNING: The cost of your monthly repayments may increase.

Always consult a Central Bank-regulated financial adviser before making significant financial decisions.

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