



Aging and
Retirement



Retirement Readiness in Taiwan

Financial Security and Risk Perceptions

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Retirement Readiness in Taiwan: Financial Security and Risk Perceptions

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Retirement Readiness in Taiwan: Financial Security and Risk Perceptions

Executive Summary

Taiwan's aging population is placing growing pressure on both public and private retirement systems. Since the 2018 SOA Asia Retirement Study, the landscape has shifted significantly due to economic changes, the COVID-19 pandemic, and evolving retirement behaviors. In response, Taiwan's retirement system has matured, with defined contribution plans playing a growing role in building financial security.

This report, based on a 2024 joint consumer survey by the Society of Actuaries Research Institute (SOA) and Reinsurance Group of America, Incorporated (RGA), explores retirement readiness in Taiwan. Key focus areas include retirement planning behaviors, financial awareness, risk perceptions, income sources, and confidence in long-term preparedness. The study segmented respondents by life stage—Prime Age Workers, Pre-Retirees, and Retirees—allowing for generational comparisons.

Findings reveal that Retirees are significantly more proactive in financial planning than younger groups, with higher engagement in asset estimation, income projections, and healthcare cost planning. Interest in annuities and lifetime income products has risen, reflecting a strong desire for financial security amidst concerns about longevity and healthcare costs. Younger respondents, while showing increased awareness, still lag in actionable planning.

Confidence in retirement readiness has improved since 2018, with more individuals actively managing their savings. While distrust in financial institutions has eased, overall confidence remains weak and workplace-based retirement discussions have declined. There is also strong interest in insurance products that provide health and income protection, particularly those covering long-term care and critical illness, although ownership rates remain low.

The report provides valuable insights for employers, insurers, policymakers, and financial advisors to support Taiwan's aging population through enhanced education, innovative financial products, and expanded participation in retirement programs.



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1 Introduction

Asia continues to experience a rapid demographic shift, with aging populations placing increasing pressure on retirement systems and financial security. Since the 2018 SOA Asia Retirement Study,¹ Taiwan has undergone significant economic and social changes, including the impact of the COVID-19 pandemic, rising inflation, and evolving retirement planning behaviors. Under Taiwan's labor law, the official retirement age is 65. As of the most recent government data,² approximately 4.3 million people (18.4% of the population) are aged 65 or older, reflecting the growing demands on both public and private retirement arrangements. In response to mounting fiscal pressures, Taiwan reformed its pension system in 2005—shifting from a defined benefit plan based on years of service and final salary to a defined contribution system. Employers now typically contribute at least 6% of monthly wages into individual retirement accounts, playing a key role in helping workers build long-term financial security.

This report is based on a collaborative consumer study conducted by the Society of Actuaries Research Institute (SOA) and Reinsurance Group of America, Incorporated (RGA), examining retirement readiness in Taiwan, focusing on financial awareness, risk perceptions, retirement planning and income sources. It highlights key shifts since 2018 and explores the evolving landscape of retirement security. Employers in Taiwan now play a significant role in helping people plan for retirement. Approximately two-thirds of respondents reported that they are currently involved in monitoring and managing their retirement savings. Investment strategies vary across age groups: Prime Age Workers tend to pursue higher-risk portfolios, while Pre-Retirees and Retirees favor more stable, income-generating approaches.

With an aging workforce and rising concerns about longevity risk and healthcare costs, understanding how individuals plan for and sustain their retirement is more critical than ever. The findings provide valuable insights for policymakers, financial institutions, and individuals working to enhance retirement security in Taiwan. The report also identifies emerging opportunities for insurance companies to develop new products that address the growing demand for retirement and financial protection solutions.

This report is structured into five key sections, providing a comprehensive analysis of Taiwan's retirement landscape:

- **Background and Methodology** outlines the study's research framework, detailing survey methods, respondent demographics, and approaches to data analysis used to assess retirement preparedness in Taiwan.
- **Retirement Readiness and Income Sources** assesses savings habits, pension reliance, income sources in retirement, and confidence levels, with a focus on annuities and insurance products addressing longevity and healthcare risks. Retirees are far more proactive in planning compared to the younger cohort and most expect to fund retirement through multiple sources. The section also notes growing interest in annuities and insurance products for lifetime income and healthcare protection, though gaps in long-term planning remain among younger workers.
- **Financial Awareness and Risk Perceptions** explores financial literacy levels and decision-making behaviors, highlighting the role of employers and financial institutions in shaping awareness. The section reports high self-reported financial knowledge and clear generational differences in information sources: younger adults rely more on the internet and social media, while Retirees prefer advisors and employer-provided

¹ Society of Actuaries. (2018). *Spotlight on Retirement: Japan and Taiwan*. <https://www.soa.org/resources/research-reports/2018/spotlight-on-retirement/>

² Ministry of the Interior, R.O.C. Taiwan. (2024). *Internal Statistics Bulletin*. https://www.moi.gov.tw/News_Content.aspx?n=2905&s=322559

guidance. Retirees also place greater importance on securing guaranteed income and preserving principal, reflecting heightened concerns about longevity and healthcare costs.

- **Key Changes Since 2018** highlights major shifts in financial behaviors, retirement confidence, and income security, shaped by economic conditions and post-pandemic trends. More people are engaging in retirement planning, such as calculating assets and arranging housing plans, and are increasingly purchasing lifetime income products like annuities. These behaviors contribute to growing confidence in their ability to meet retirement goals.
- **Conclusion and Policy Implications** summarizes findings and provides recommendations for improving retirement preparedness through education, product innovation, and public-private collaboration. The report underscores the need to expand financial literacy, promote participation in retirement savings plans, and develop insurance products that address longevity and health-related risks.

Through systematic analysis of these areas, this report offers valuable insights to support the development of effective retirement strategies for Taiwan's aging population.

2 Background and Methodology

SURVEY DESIGN AND DATA ANALYSIS

This study is based on a quantitative consumer survey conducted in November 2024 by the SOA and RGA. The survey consisted of 35 questions exploring a broad range of topics related to retirement planning and financial behavior. Key themes included:

- Perceptions of retirement
- Financial literacy and investment knowledge
- Current and expected income sources
- Retirement savings behavior and confidence
- Risk tolerance and insurance preferences
- Attitudes toward aging, health, and long-term care
- Post-pandemic shifts in financial outlook

The survey also assessed interest in annuities and respondents' readiness to adapt their strategies in response to economic and societal changes.

Survey responses were analyzed using descriptive statistics, such as frequency distributions and percentage breakdowns, to identify key trends. Where relevant, results were segmented by life stage to enable generational comparisons on retirement expectations, preparedness, and behavior. Findings were also benchmarked against the 2018 SOA Asia Retirement Study, with comparisons made to assess changes before and after the COVID-19 pandemic. Results are presented using tables and charts to support interpretation and enable cross-market analysis.

DEMOGRAPHICS

A total of 750 respondents from Taiwan participated in the online study, all of whom were identified as primary or joint decision-makers for their household finances. The study targeted three age segments: Prime Age Workers (ages 30–45), Pre-Retirees (ages 46–59), and Retirees (ages 60–75).

- Prime Age Workers are people in an early stage of their careers and planning for marriage or families.
- Pre-Retirees are currently working and gradually approaching retirement while planning to build savings to maintain their lifestyle, health, and financial stability.
- Retirees are close to, or currently, in retirement.

The sample of respondents was evenly split by gender, with 50% male and 50% female. The majority of respondents (30%) reported a household income between TWD 750,000–1,400,000. Tables 1–3 below provide the full breakdown of the study demographics.

Table 1

AGE BANDS

Age	Percentage
30–45 years old (Prime Age Workers)	30%
46–59 years old (Pre-Retirees)	31%
60–75 years old (Retirees)	39%

Table 2
GENDER DISTRIBUTION

Gender	Percentage
Men	50%
Women	50%

Table 3
ANNUAL HOUSEHOLD INCOME (TWD)

Income Range (TWD)	Percentage
750,000–1,400,000	30%
1,400,001–3,000,000	25%
3,000,001–7,500,000	21%
7,500,001–20,000,000	15%
More than 20,000,000	9%

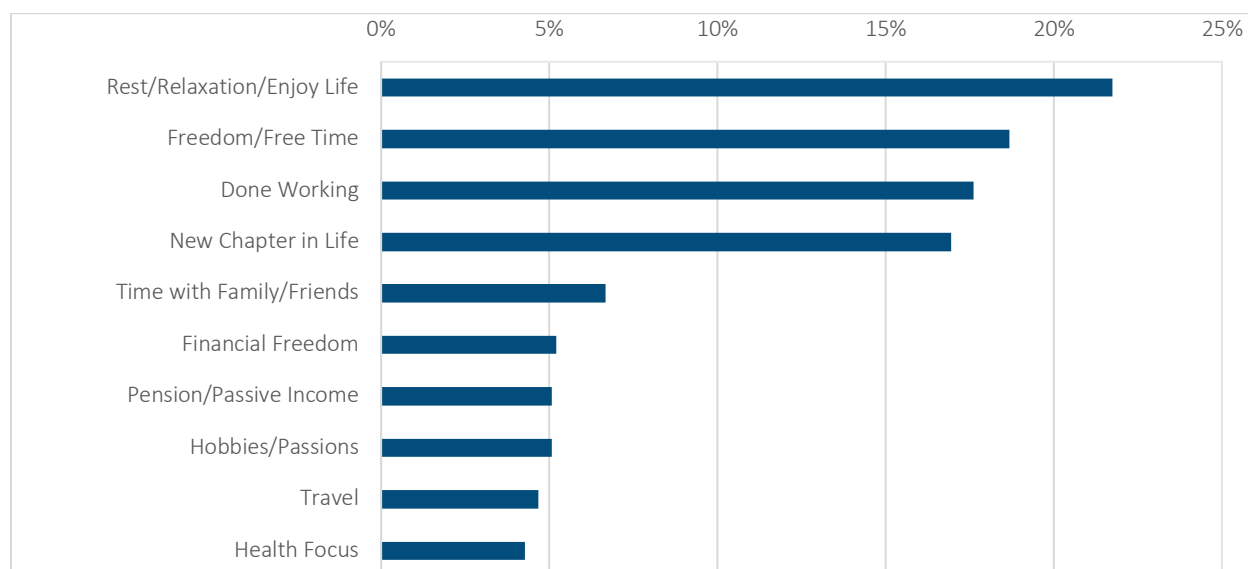
3 Retirement Readiness and Income Sources

RETIREMENT PERCEPTIONS AND PRIORITIES

- Retirement is strongly associated with relaxation, freedom, and life transitions.
- Health and family are top priorities, while nursing home options are not widely embraced.
- There is a cultural emphasis on well-being, independence, and active aging.

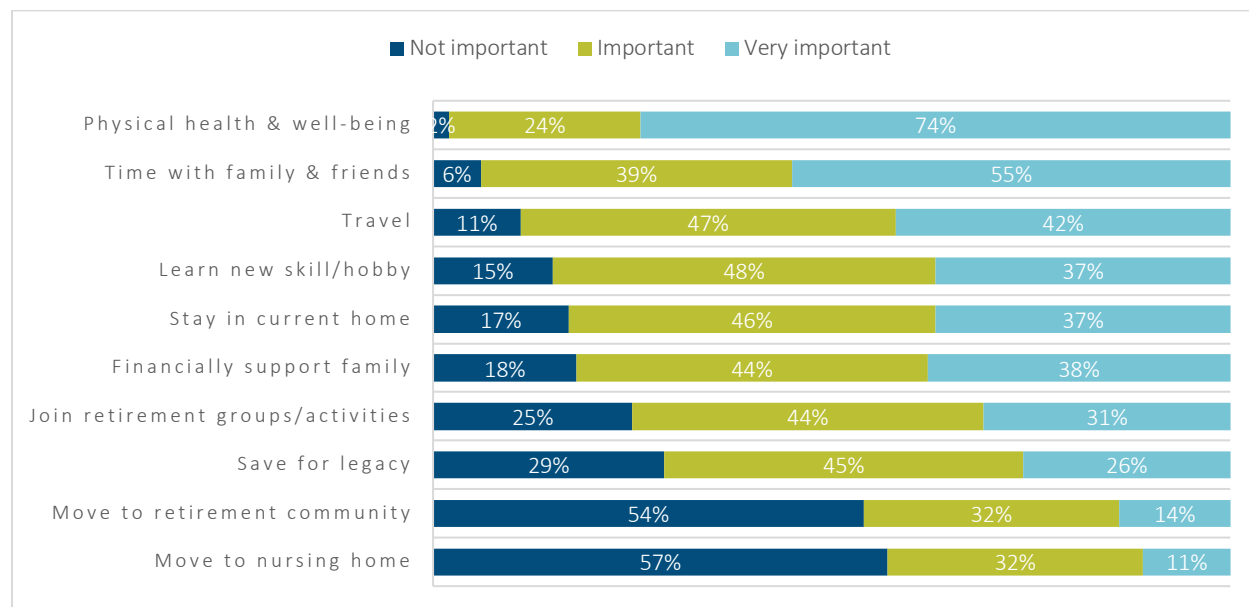
Retirement in Taiwan is most often associated with relaxing, freedom, job completion, and starting a new chapter in life. According to the survey, 22% of respondents identified relaxation and enjoying life as the primary meaning of retirement, followed by 19% associating it with freedom and the ability to do what they want in their free time. Job completion and transitioning to a new chapter in life were also highly regarded, with 18% and 17% of respondents, respectively, viewing retirement in this light. Figure 1 illustrates these top associations with retirement, emphasizing the cultural and personal significance of this life stage.

Figure 1
TOP MEANINGS OF RETIREMENT



When asked about the importance of specific activities in retirement, the overwhelming majority of respondents emphasized maintaining physical health and well-being as a top priority, with 98% indicating it is important or very important. As shown in Figure 2, spending time with friends and family was rated as important or very important by 94% of respondents. In contrast, activities such as moving into a nursing home were deemed not important by 57% of respondents, reflecting a preference for independence and staying in familiar environments. While physical health remains a universal concern, other activities, such as traveling, learning new skills, or engaging in social groups, also play a significant goal for many individuals.

Figure 2
IMPORTANCE OF RETIREMENT ACTIVITIES



PLANNING BEHAVIORS AND FINANCIAL CONFIDENCE

- Retirees are significantly more proactive in planning for retirement than younger groups.
- Many respondents are actively managing their savings and interested in insurance and income products.
- Confidence is moderate, and expectations of inheritance are low.

Retirees in Taiwan are the most proactive in retirement planning, particularly in assessing their social pension benefits, with 48% having done so compared to 43% of Pre-Retirees and 22% of Prime Age Workers (Table 4). This aligns with Taiwan's demographic shift, where over 18% of the population is now aged 65 and above.³ This trend has increased individual responsibility for retirement planning, especially in light of recent reforms to Taiwan's pension system. They are also more likely to estimate their retirement income (58%), calculate assets (61%), and plan how long their savings will last (47%). Around half (48%) have planned for expenses, and 52% have considered post-retirement living arrangements and healthcare costs. The transition from the pre-2005 defined benefit system to the current defined contribution pension framework was intended to encourage more proactive retirement planning. However, in practice, younger individuals in Taiwan still show relatively low engagement, with 11% of Prime Age Workers and 8% of Pre-Retirees not having planned, compared to just 1% of Retirees.

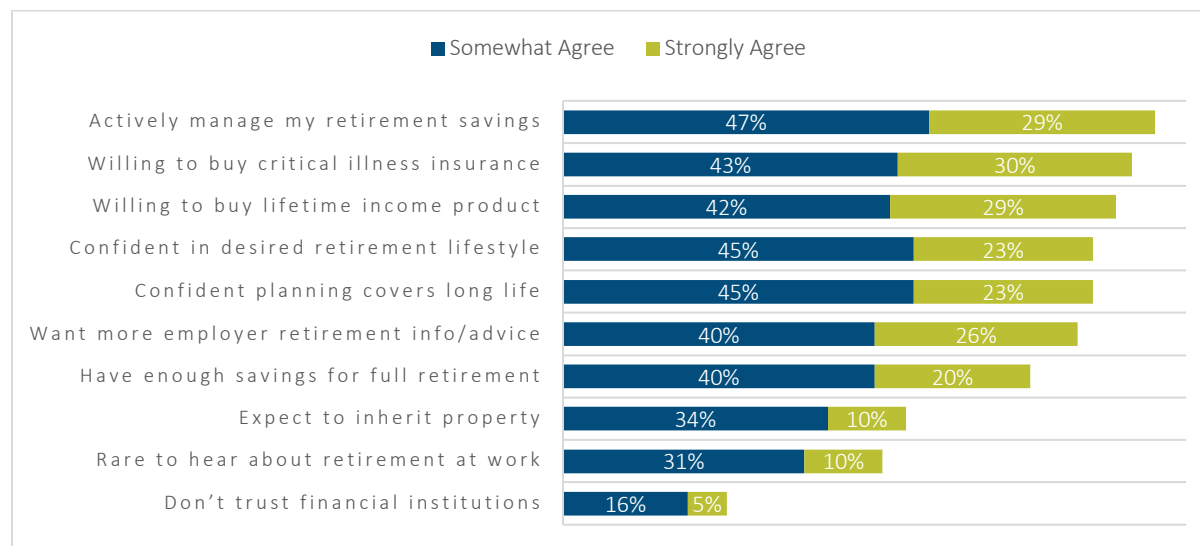
³ Ministry of the Interior (Taiwan). (2024). *Statistics on the Population by Age Group*. https://www.moi.gov.tw/News_Content.aspx?n=2905&s=322559

Table 4
RETIREMENT PLANNING BY AGE GROUP

Planning Activities	Prime Age Workers	Pre-Retirees	Retirees
Calculated retirement assets/investments	49%	57%	61%
Estimated retirement income	37%	48%	58%
Estimated healthcare costs	39%	47%	59%
Decided where to live	34%	52%	52%
Estimated retirement expenses	40%	47%	48%
Estimated how long assets will last	38%	40%	47%
Planned activities and their costs	32%	41%	53%
Checked pension benefits at different ages	22%	43%	48%
None of the above	11%	8%	1%

As illustrated in Figure 3, a significant portion of individuals in Taiwan are actively involved in monitoring and managing their retirement savings, with 47% somewhat agreeing and 29% strongly agreeing with this statement. Many are willing to purchase or plan to purchase financial products, such as insurance for critical illness (43% somewhat agree, 30% strongly agree) and guaranteed lifetime income products (42% somewhat agree, 29% strongly agree). Confidence in retirement planning is also evident, as 45% somewhat agree and 23% strongly agree that they will be able to live the retirement lifestyle they want. However, only 34% somewhat agree and 10% strongly agree that they will inherit property from parents or relatives, indicating a reliance on self-driven financial strategies over familial support. This trend reflects broader shifts in Taiwanese family structures and retirement norms. Notably, 16% somewhat agree and 5% strongly agree that they do not trust financial institutions, underscoring the importance of building consumer trust in retirement financial products.

Figure 3
RETIREMENT ACTIONS AND CONFIDENCE



RETIREMENT CONCERNS AND POST-PANDEMIC SHIFTS

- The top concerns are healthcare costs, chronic illness, and insufficient savings.
- While savings and family support have improved since 2019, inflation, employment, and health outcomes have worsened.
- Confidence is moderate, and expectations of inheritance are low. Retirees rely more on structured financial strategies (e.g., annuities, rental income).

The top concern for Taiwanese respondents in retirement is providing for healthcare costs beyond social insurance, with 54% considering it a major concern and 42% viewing it as a minor concern (refer to Figure 4). The aging society and its impact on economic stability is a major concern for 59% of respondents, with 36% marking it as a minor concern. Other significant worries include the potential reduction in health or medical insurance benefits by the government or companies (55% major, 39% minor) and the risk of chronic illnesses draining lifelong savings (55% major, 39% minor). Concerns about the value of savings and assets not keeping up with inflation are also prominent, with 57% identifying it as a major concern and 37% as a minor one.

While less prominent, tax increases and finding available long-term care or nursing homes remain notable concerns for a segment of the population, reflecting the multifaceted challenges retirees face in Taiwan. In particular, long-term care stands out as a pressing issue in Taiwan. In response, the government has implemented several initiatives to expand services and infrastructure, making long-term care a core component of national retirement planning.⁴

Figure 4
TOP RETIREMENT CONCERNS

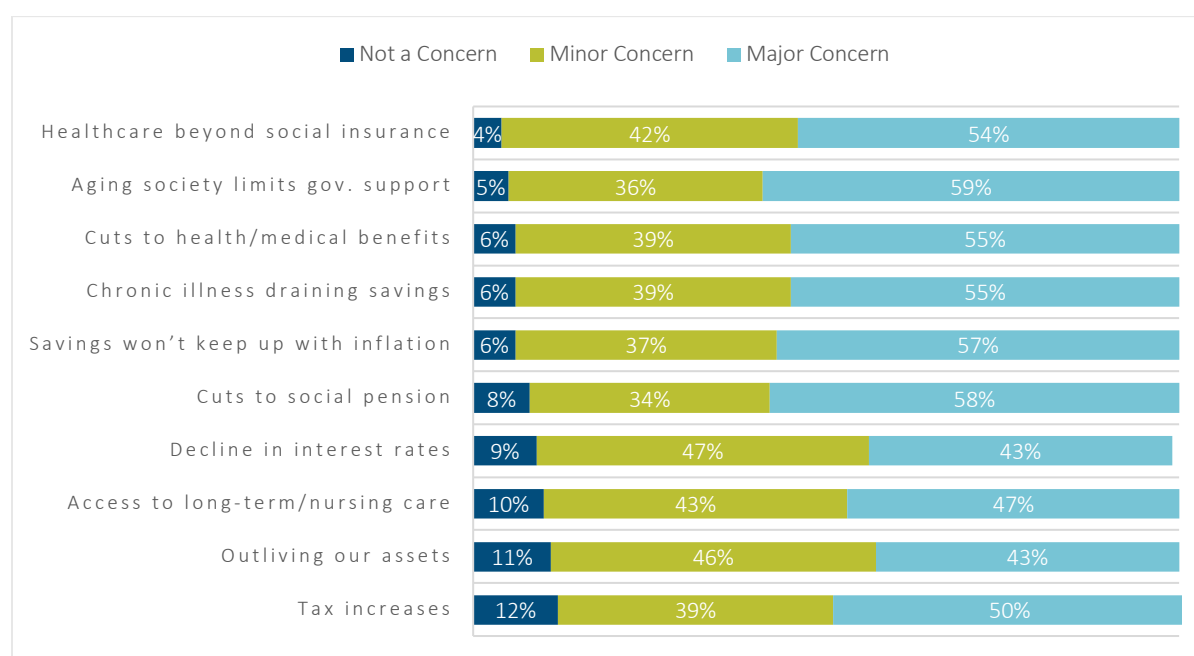


Figure 5 highlights the changes in retirement preparedness among individuals in Taiwan, comparing their situation today to 2019. Three in four respondents (73%) report that their overall savings have improved since before the pandemic, with 72% saying their retirement savings are better today. Family support has also improved for 63%, reflecting stronger financial and familial stability post-pandemic. However, several areas show significant declines. According to 72% of respondents, inflation has worsened, and 61% noting a deterioration in employment opportunities. Sixty percent of respondents feel their living costs, such as housing and utilities, have increased, and 54% believe their health has declined since 2019.

⁴ Executive Yuan. (2023). *Long-Term Care Plan 2.0 aims to build a high-quality, affordable, and accessible care system.*
<https://english.ey.gov.tw/News3/9E5540D592A5FECD/332a78c0-0c8e-4064-bd71-8c22477dae75>

Figure 5
CHANGES IN RETIREMENT PREPAREDNESS SINCE 2019

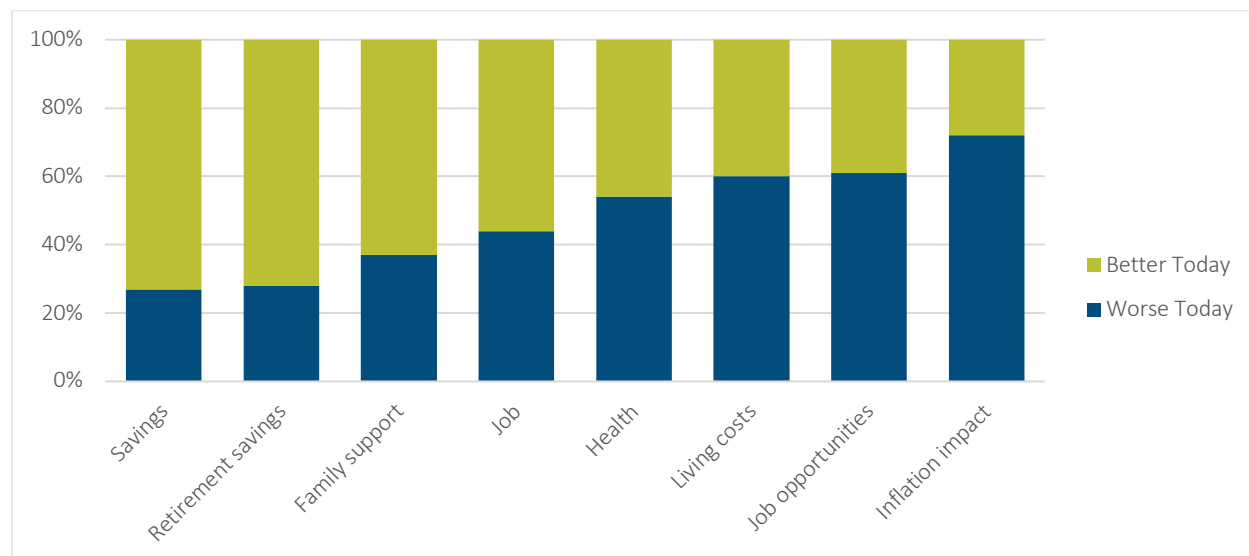


Table 6 shows that Retirees are more likely to use annuities for retirement income, with 61% seeking guaranteed lifetime income products compared to 51% of Pre-Retirees and 29% of Prime Age Workers. This highlights a growing preference among Retirees for financial products that offer stability and protection against longevity risk. Forty-six percent of Retirees have invested in corporate annuities with tax benefits, significantly higher than younger groups. "Withdraw principal (NET)" refers to a combined category including those who withdraw principal either regularly or occasionally alongside interest. Most individuals consider withdrawing principal as a key retirement income strategy, with 71% of Retirees doing so, slightly more than 63% of both Pre-Retirees and Prime Age Workers. Thirty-four percent of Retirees generate rental income from property, compared to 22% of younger groups.

Table 6
RETIREMENT INCOME STRATEGIES BY AGE

Income Strategies	Prime Age Workers	Pre-Retirees	Retirees
Withdraw principal (NET)	63%	63%	71%
Occasional principal + interest withdrawal	40%	44%	42%
Regular principal + interest withdrawal	40%	28%	40%
Buy lifetime income product	29%	51%	61%
Withdraw interest/dividends only	48%	46%	44%
Corporate annuity (tax benefit)	14%	27%	46%

Rental income from property	22%	22%	34%
Will not use savings for income	3%	5%	3%
Don't know	5%	4%	0%

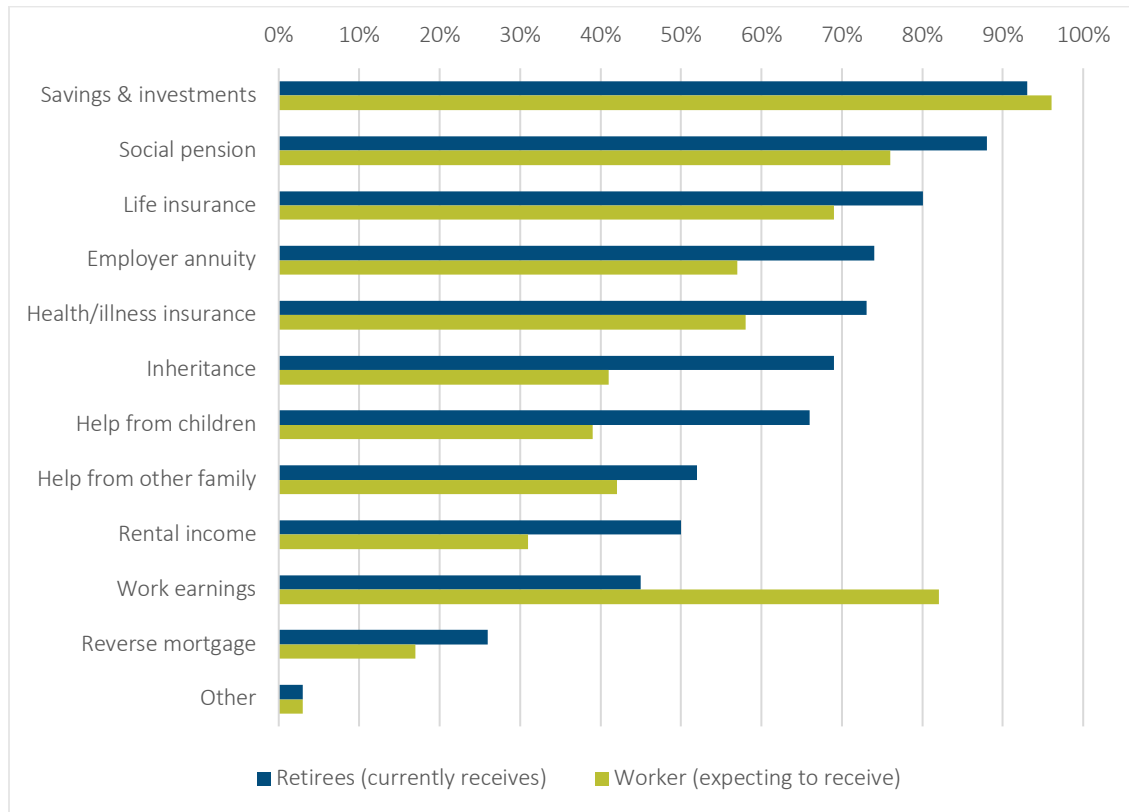
INCOME SUFFICIENCY AND FUTURE EXPECTATIONS

- Savings, pensions, and insurance are the top income sources for Retirees and Workers.
- Retirees feel more confident in meeting their retirement needs than younger Workers.
- Younger generations are less optimistic about their ability to meet retirement goals by age 60.

Personal savings and investments are the primary income source for both Retirees (93%) and Workers (96%) as shown in Figure 6. In this context, "Workers" refers to both Prime Age Workers and Pre-Retirees. Social pensions follow, relied on by 88% of Retirees and expected by 76% of Workers. Life insurance also plays a significant role, with 80% of Retirees and 69% of Workers depending on it. A notable gap exists in reliance on full or part-time job earnings, with 82% of Workers expecting to work during retirement compared to only 45% of Retirees who currently do so. Inheritance and financial assistance from children are also less anticipated by Workers (41% and 39%, respectively) than relied on by Retirees (69% and 66%). Income sources like reverse mortgages and rental property remain secondary, with 26% of Retirees and 17% of Workers depending on reverse mortgages, and 50% of Retirees compared to 31% of Workers relying on rental income. Reverse mortgage products have been introduced in Taiwan, but market uptake remains low due to cultural preferences for passing property to heirs and limited financial literacy.⁵ The industry continues to explore ways to improve education and product design.

⁵ Radio Taiwan International. (2025, January 31). *Reverse mortgage loan numbers climbing*. <https://en.rti.org.tw/news/view/id/2012398>

Figure 6
SOURCES OF RETIREMENT INCOME



Retirees in Taiwan are more confident than Workers about the adequacy of their social pension and employer-sponsored income as highlighted in Figure 7. Among Retirees, 27% are very confident and 45% believe it is likely that these income sources will be sufficient, compared to 12% and 35% of Workers, respectively. Conversely, Workers are more uncertain, with 37% believing it is unlikely and 9% stating it is definitely not enough, while only 23% and 3% of Retirees share these concerns. The "don't know" responses are also higher among Workers (7%) than Retirees (2%), indicating greater clarity and experience among Retirees regarding their retirement income.

Figure 7
CONFIDENCE IN RETIREMENT INCOME TO COVER BASIC NEEDS

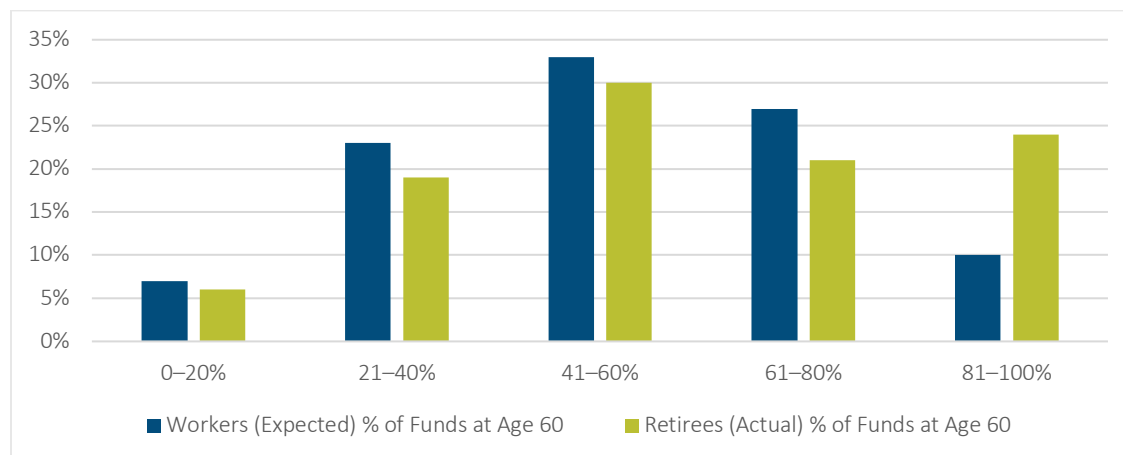


Table 5 reveals that the average amount of savings varies across age groups in Taiwan. As expected, Pre-Retirees have the highest average savings, at TWD 2,150,896, followed by Retirees with TWD 2,109,731, and Prime Age Workers with TWD 1,791,977. Despite these savings, a significant portion of respondents (44%) feel they started saving too late. Of those who delayed saving for retirement, 48% of Prime Age Workers expressed the highest regret, followed by Pre-Retirees (45%) and Retirees (41%). The fact that nearly half of Prime Age Workers feel they started too late highlights a growing concern about financial preparedness even at the early stages of their careers.

Table 5
AVERAGE SAVINGS AND SAVING ATTITUDES BY AGE

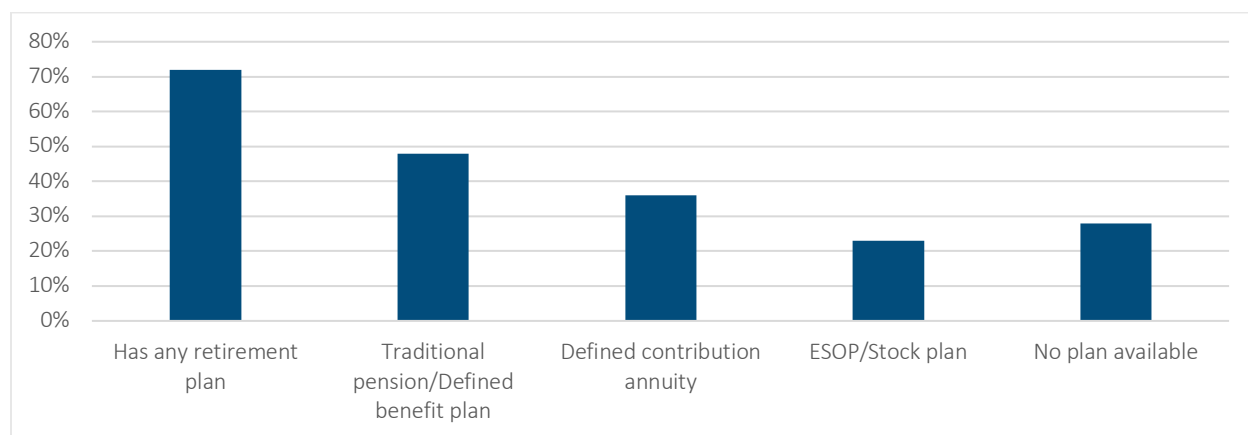
Questions	Total	Prime Age Workers	Pre-Retirees	Retirees
Average savings (TWD)	2,049,031	1,791,977	2,150,896	2,109,731
Started saving too late (%)	44%	48%	45%	41%

Survey findings highlight a disparity in retirement expectations between younger individuals and current Retirees in Taiwan (see Figure 8). Those under 60 expect to have significantly less retirement funds than Retirees had when they turned 60. For example, only 10% of Workers anticipate having 81-100% of the necessary retirement funds by age 60, compared to 24% of current Retirees who reached this benchmark. These findings suggest that younger generations are less optimistic about their retirement savings, which may also reflect Retirees' greater access to the earlier generation's defined benefit pensions.

Figure 8**EXPECTED RETIREMENT FUNDS BY AGE 60****EMPLOYER PLANS AND PARTICIPATION**

- Seventy-two percent of respondents report having access to an employer-sponsored retirement plan, but only 52% are currently contributing.
- Many contribute 3–5% of salary, but voluntary contributions remain low despite incentives.
- While reforms have improved employer participation, employee engagement remains uneven, particularly among younger workers.

Figure 9 highlights that 72% of individuals in Taiwan have a retirement savings plan available through their employer, reflecting strong participation in employer-sponsored programs. Among these, 48% are covered by a traditional pension plan or defined benefit plan (active or frozen), while 36% participate in a defined contribution enterprise annuity. Twenty-three percent are part of an Employee Stock Ownership Plan (ESOP) or stock purchase plan, indicating growing interest in employer-provided investment options. Twenty-eight percent of respondents report having no employer-sponsored retirement plans available, underscoring a gap that could be addressed to improve overall retirement preparedness.

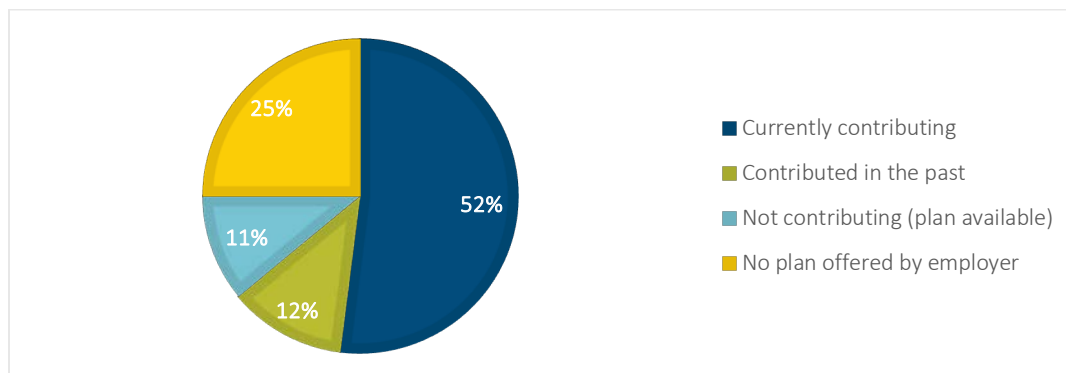
Figure 9**EMPLOYER RETIREMENT PLAN AVAILABILITY**

Survey findings reveal that just over half of workers (52%) in Taiwan are currently contributing to an employer-sponsored retirement plan (see Figure 10). An additional 12% have contributed in the past but are no longer doing

so. Only 11% of workers acknowledge having access to such plans but have not contributed, highlighting potential missed opportunities for long-term savings. Meanwhile, 25% of workers report that their employer does not offer any retirement savings plans, indicating a gap in availability that could hinder retirement preparedness.

Figure 10

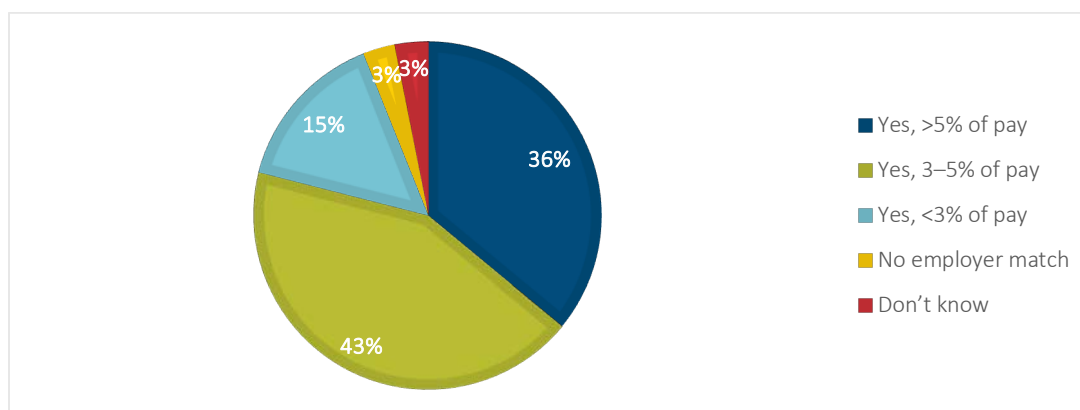
PARTICIPATION IN EMPLOYER RETIREMENT PLANS



Among the 64% of workers who are either currently contributing or have contributed to an employer-sponsored retirement plan, Figure 11 reveals that the majority (43%) contribute between 3% and 5% of their pay, while 36% contribute more than 5% of their pay. A smaller portion (15%) contribute less than 3%, and only 3% report that their employer does not offer to match any contributions. Although Taiwan's 2005 labor pension reform established individual retirement accounts with a mandatory 6% employer contribution, voluntary contributions by employees remain relatively uncommon. Another 3% are unsure about their contribution details, suggesting a greater need for financial awareness and education regarding retirement savings and planning.

Figure 11

CONTRIBUTION LEVELS TO EMPLOYER PLANS



4 Financial Awareness and Risk Perceptions

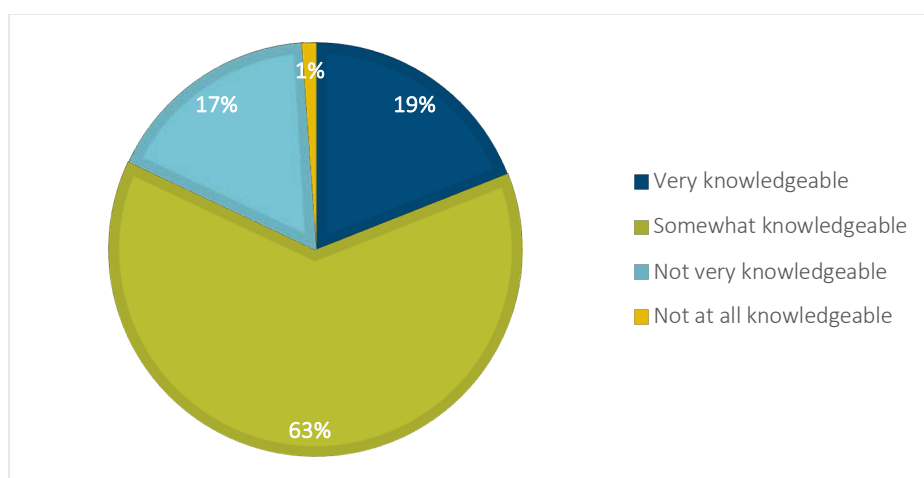
FINANCIAL LITERACY AND INFORMATION SOURCES

- Eighty-two percent of respondents consider themselves at least somewhat knowledgeable about financial and investment products.

- Prime Age Workers and Pre-Retirees tend to rely on online sources, such as financial websites and social media.
- Retirees prefer more personal sources, including financial advisors, insurance agents, and employer-sponsored seminars.

A significant 82% of respondents expressed confidence in their financial acumen, identifying themselves as either very knowledgeable (19%) or somewhat knowledgeable (63%) about investments and financial products (as shown in Figure 12). This overwhelming majority underscores the growing awareness and understanding of financial matters among the Taiwanese population. As the Ministry of the Interior forecasts a peak in Taiwan's retirement population by 2028, the demand for financial security and elderly care is set to rise significantly.⁶ Financial literacy and tools to make strong financial decisions and insurance purchases are key for consumers to mitigate risk, grow their assets, and achieve savings goals in a timely manner for retirement.

Figure 12
FINANCIAL LITERACY LEVELS



Interestingly, the survey highlights a clear generational divide in the sources of financial information (refer to Table 7). While the internet dominates as the primary source for both Prime Age Workers and Pre-Retirees, with over 50% reliance, Retirees prefer more traditional and personalized sources.

- Over 50% of Prime Age Workers rely on the internet for information on investments, financial products, and retirement planning. Additionally, 42% turn to social media sites for their financial insights.
- Similar to Prime Age Workers, more than 50% of Pre-Retirees also prefer the internet as their primary source of financial information. However, 30% of Pre-Retirees still depend on traditional media, such as TV or radio.
- Retirees show a preference for more personalized sources of information. About 42% consult their financial advisor or insurance agent, 22% rely on representatives from their employer's defined contribution retirement savings plan, and 19% attend workshops and seminars for financial guidance.

⁶ Ministry of the Interior, R.O.C. Taiwan. (2023). *Internal Statistics Bulletin, Week 44, 2023*.
https://www.moi.gov.tw/News_Content.aspx?n=2905&s=322559

These insights underscore the importance of tailoring financial education and resources to meet the diverse needs of different age groups.

Table 7

SOURCES OF INFORMATION BY AGE GROUP

Source of Information	Prime Age Workers	Pre-Retirees	Retirees
Internet / financial websites	56%	53%	38%
Family, friends, or co-workers	43%	41%	42%
Retirement account website	27%	33%	31%
Financial advisor / insurance agent	23%	27%	42%
Social media	42%	22%	22%
Books, magazines, newspapers	24%	26%	22%
TV or radio	21%	30%	17%
Mobile apps	22%	21%	14%
Employer plan representatives	14%	13%	22%
Employer (HR / benefits department)	12%	15%	16%
Workshops or seminars	9%	9%	19%
Booklets or written materials from employer	8%	10%	15%

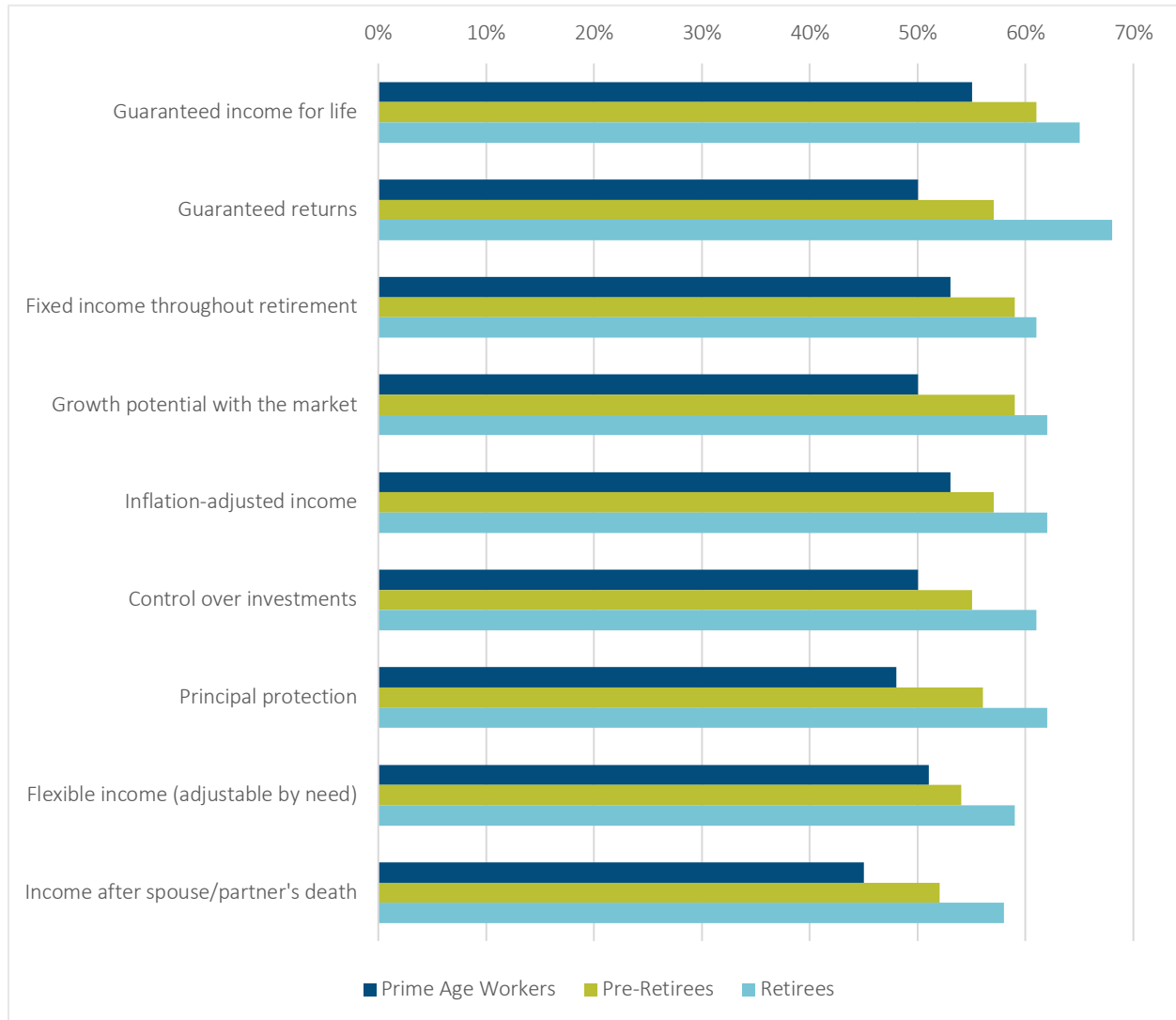
INVESTMENT PREFERENCES BY AGE GROUP

- Retirees prioritize guaranteed income and investment returns when selecting retirement products.
- Preserving the original investment (principal) is also a top concern for Retirees.
- Prime Age Workers show less emphasis on specific product features, suggesting a focus on asset accumulation rather than income security.
- Features such as income stability, inflation protection, and control over investments are important but less dominant among younger groups.

The research findings (see Figure 13) make it clear that when it comes to financial products and investments for retirement income, retirees place the highest importance on two key features—guaranteed income and return on investment. Over 65% of retirees surveyed cited these as the most important considerations, underscoring the critical need for retirement solutions that can provide a reliable and potentially growing income stream.

In addition to guaranteed income and investment returns, the data shows that Retirees also place a very high value on having their initial investment amount preserved or protected. With over 62% of retirees ranking this as a top priority, it's evident that Retirees are focused on both generating income as well as safeguarding their hard-earned savings.

The contrasting responses from Prime Age Workers indicate a different set of priorities when it comes to retirement planning. Unlike Retirees, Prime Age Workers did not show a strong preference for any particular investment features, with most only averaging in the low 50% range for factors like income stability, inflation protection, and control over investments. This suggests that younger investors may be more focused on accumulating assets rather than the specific characteristics of the retirement income products.

Figure 13**TOP INSURANCE & INCOME PRODUCT FEATURES****INSIGHTS ON ANNUITY PRODUCT PREFERENCES**

- A large majority of individuals express interest in converting part of their savings into lifetime-guaranteed annuities, reflecting a desire for long-term financial stability.
- Tax-deferred annuities are widely appealing, especially due to their potential for tax-advantaged growth.
- There is strong interest in annuities with added income for critical illness or disability, highlighting the need for health-related financial protection.

The findings from our survey on annuity products reveal significant interest among individuals regarding various features, particularly concerning lifetime guarantees, tax deferral, and provisions for critical illness or disability.

An impressive 74% of respondents expressed a willingness to convert a portion of their assets into a lifetime-guaranteed annuity in retirement as illustrated in Figure 14. This figure underscores a growing recognition of the need for reliable income streams that can last throughout retirement. The preference for guaranteed income

reflects a desire for financial security and stability, particularly in later years when managing unexpected expenses becomes critical.

With 89% of participants showing interest in purchasing a tax-deferred annuity, this product appears to resonate well within the market (Figure 15). Notably, 39% of those interested were categorized as either very or extremely interested, indicating a strong inclination toward tax-advantaged growth. This suggests that individuals are increasingly aware of the potential benefits of tax deferral in enhancing their long-term financial strategies, pointing to a need for more accessible options in this area.

The highest level of interest was observed in annuities that provide an increase in monthly income payments in the event of critical illness or disability, with 93% of respondents indicating interest. Among these, 48% were very or extremely interested. This finding highlights a critical concern for many individuals regarding the financial implications of unexpected health issues. The desire for income protection in such scenarios reflects an understanding of the need for financial resilience against unforeseen challenges.

Figure 14
CONSIDERATION OF LIFETIME-GUARANTEED ANNUITIES

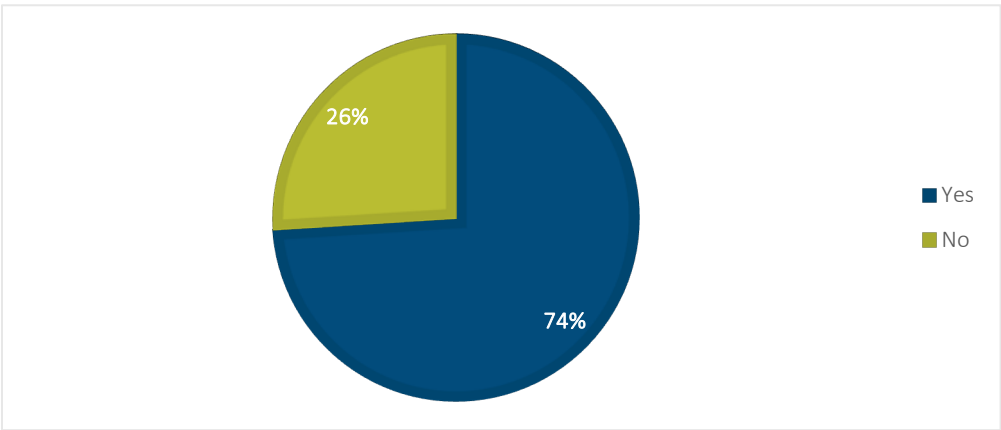
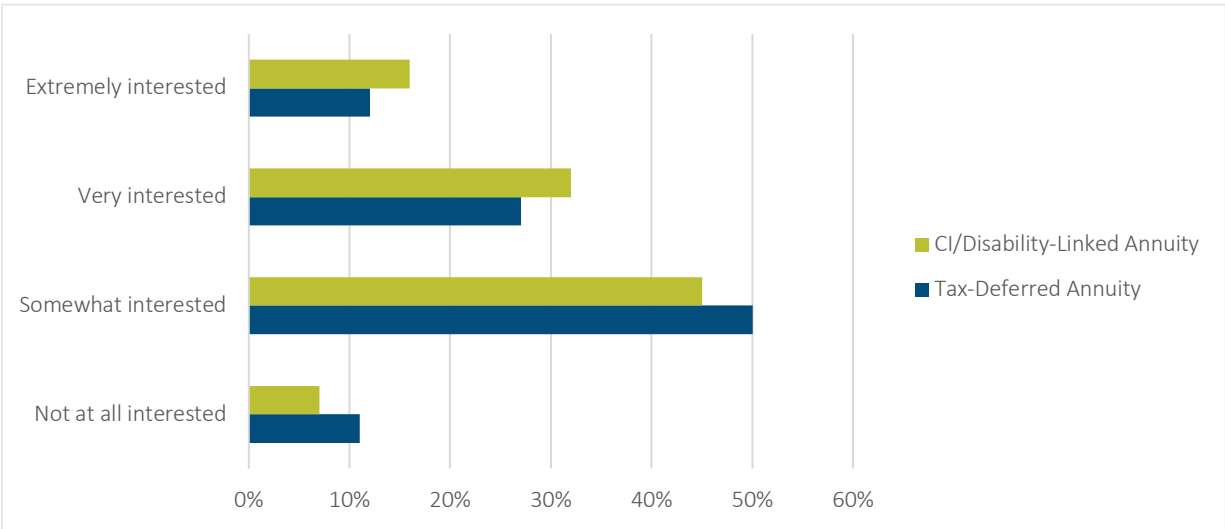


Figure 15
INTEREST IN ANNUITY TYPES



HEALTH CONCERNS AND INSURANCE DEMAND

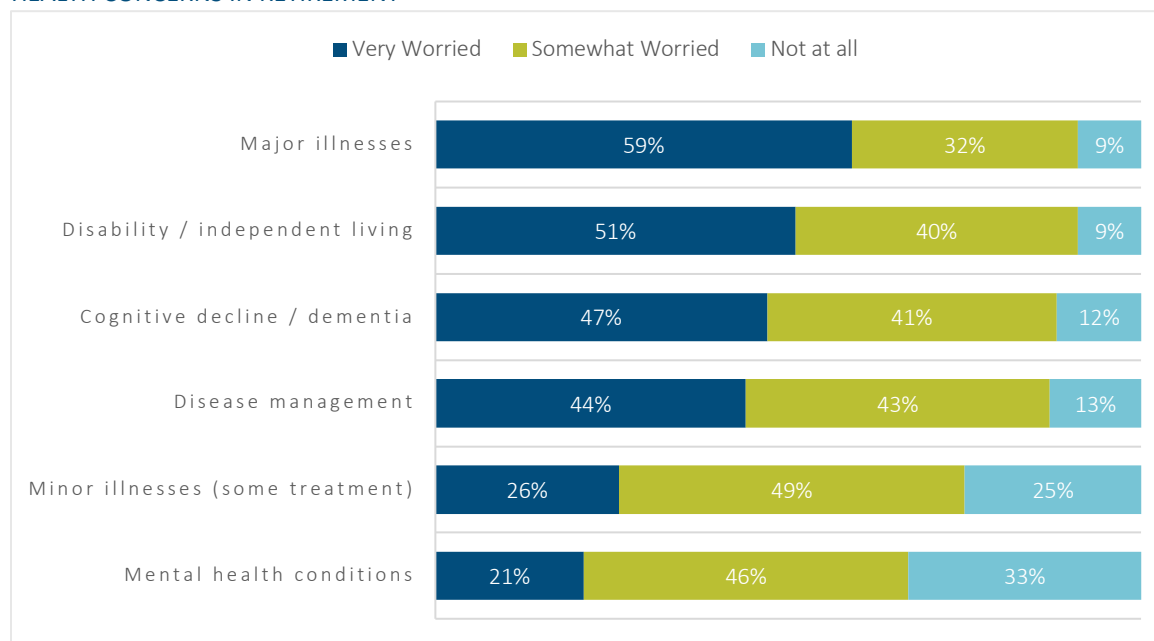
- Many respondents report high levels of concern about major illness, disability, and cognitive decline during retirement.
- Interest in insurance coverage aligns with these concerns, especially for dementia, long-term care, and disease management.
- Despite strong interest, ownership rates for dementia and long-term care insurance remain low, while medical and critical illness insurance are more commonly held.
- Most individuals are willing to invest in life and health insurance, highlighting the importance placed on financial and health protection in later life.

Regarding health conditions presenting during retirement, research (as shown in Figure 16) revealed significant levels of anxiety among individuals with respect to the following:

- Major Illnesses: 59% of respondents expressed being very worried about major illnesses, while 32% reported being somewhat worried.
- Disability and Limitations: 51% are concerned about disabilities or limitations in independent living due to sickness or injury; lower levels of concern were reported by 40%.
- Cognitive Decline: 47% of respondents indicated worry about cognitive decline, including conditions like dementia or Parkinson's disease and another 41% had some degree of worry about these conditions.
- Disease management: 44% had significant concerns and another 43% reported moderate concerns.

Figure 16

HEALTH CONCERNS IN RETIREMENT



Mirroring the conditions that respondents highlighted as concerns during retirement, we see interest in potentially purchasing insurance types for dementia, long-term care, and disease management as the most important (illustrated in Figure 17). Survey respondents were asked about their likelihood of purchasing or reviewing insurance coverages in the next 12 months, and they indicated interest in:

- Dementia and Long-Term Care Insurance: 39% are very likely to consider buying dementia insurance and long-term care insurance.

- Health and Wellness Insurance: 37% are very interested in insurance that provides benefits or access to providers for health and wellness, particularly for disease management such as diabetes.

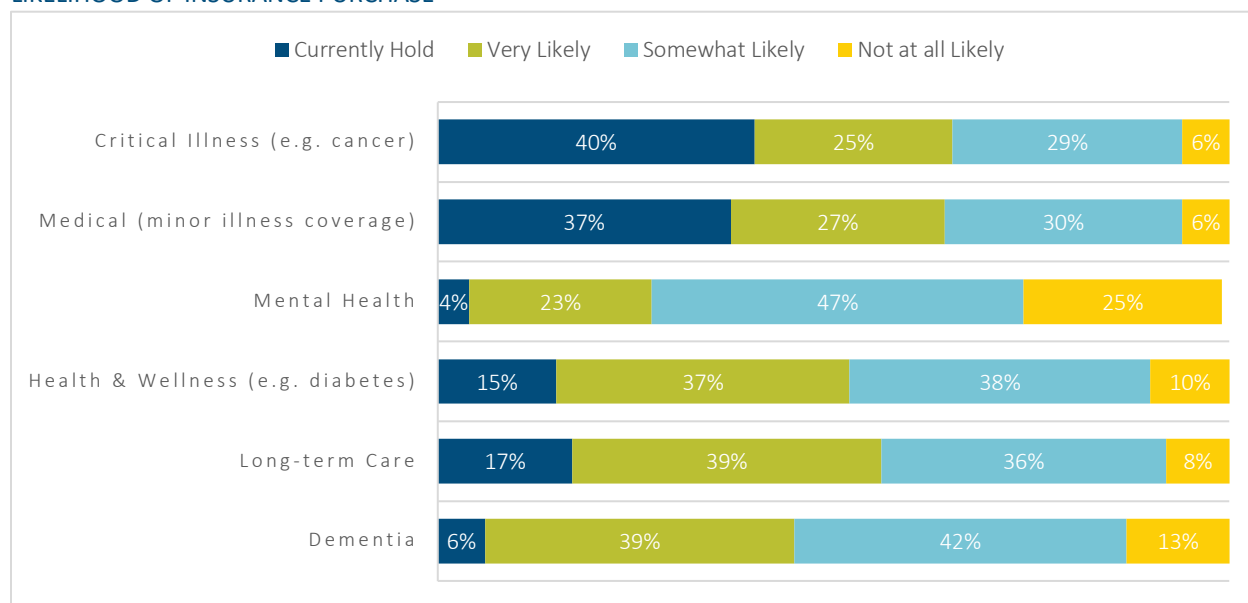
Despite this high interest, current ownership rates are low with respondents reporting:

- Only 6% have dementia insurance.
- Seventeen percent hold long-term care insurance.

In contrast, more individuals hold medical insurance (37%) and critical illness (CI) insurance (40%). This discrepancy may be attributed to the distribution focus on these more popular products, which are often emphasized in marketing and sales strategies.

Figure 17

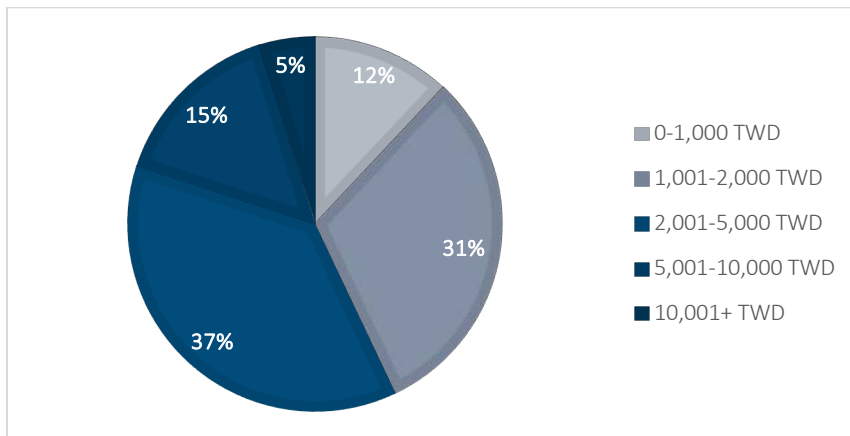
LIKELIHOOD OF INSURANCE PURCHASE



In Taiwan, the preference for medical and CI insurance can be linked to the aging population, with over 20% expected to be over 65 by 2025, driving demand for health-related insurance products.⁷

⁷ Lessons from Taiwan's Evolving Life Insurance Market. (n.d.). RGA Reinsurance Company. Retrieved from <https://www.rgare.com/knowledge-center/article/lessons-from-taiwan's-evolving-life-insurance-market>

Figure 18
WILLINGNESS TO PAY FOR INSURANCE PER MONTH



In conclusion, the survey results indicate a strong interest in insurance coverage among respondents, with over half willing to invest at least TWD 2,000 in life and health insurance per month (as highlighted in Figure 18). Notably, the average amount respondents are willing to pay is approximately TWD 3,500, reflecting a significant commitment to securing comprehensive insurance protection. This willingness to invest underscores the value placed on financial security and health coverage in Taiwan's society.

5 Key Changes Since 2018

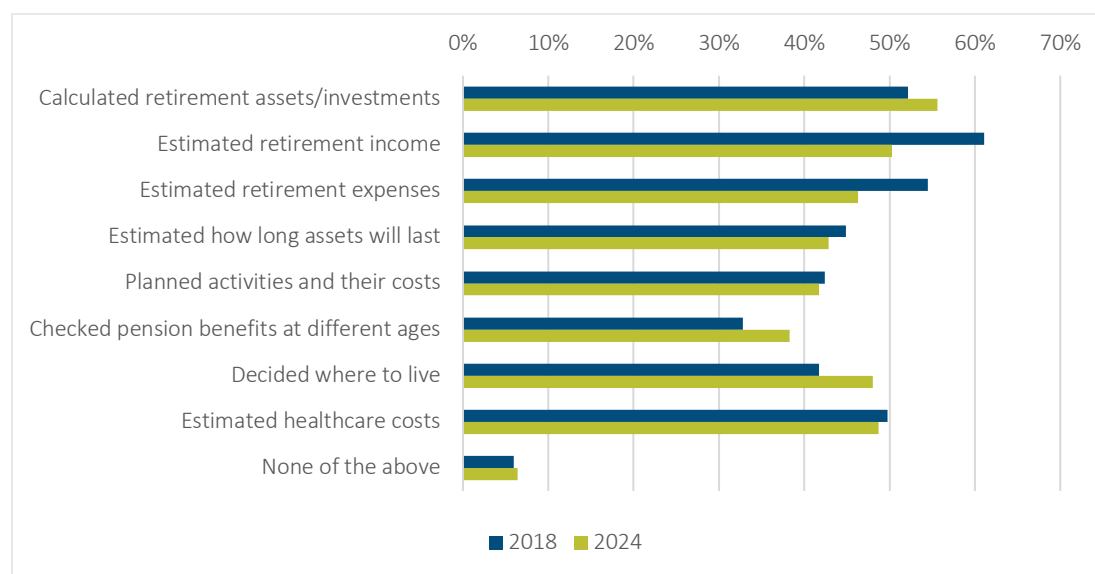
RETIREMENT PLANNING, INCOME STRATEGIES AND CONFIDENCE

- Planning for assets, housing, and social pension benefits improved, while income, expense, and longevity planning slightly declined from 2018 to 2024.
- Use of annuities and corporate retirement products increased, while regular withdrawals and rental income strategies have declined.
- Confidence has improved in retirement readiness, including savings sufficiency and lifestyle sustainability, while trust in financial institutions and workplace retirement dialogue has diminished.

Compared to 2018, Figure 19 exhibits both progress and setbacks in retirement planning efforts among individuals in Taiwan. Planning for assets (56%) and social pension benefits (38%) have increased in 2024, up from 52% and 33%, respectively. Housing planning has also risen from 42% in 2018 to 48% in 2024, reflecting growing awareness of long-term living arrangements. However, planning for retirement income (50%), expenses (46%), and how long assets will last (43%) have declined slightly compared to 2018, when these figures stood at 61%, 54%, and 45%, respectively. Healthcare planning (49%) has remained relatively stable, showing only a 1% decrease. These trends suggest that while certain aspects of retirement planning have improved, there is a declining focus on income and expense planning, highlighting potential gaps in financial preparedness for the future.

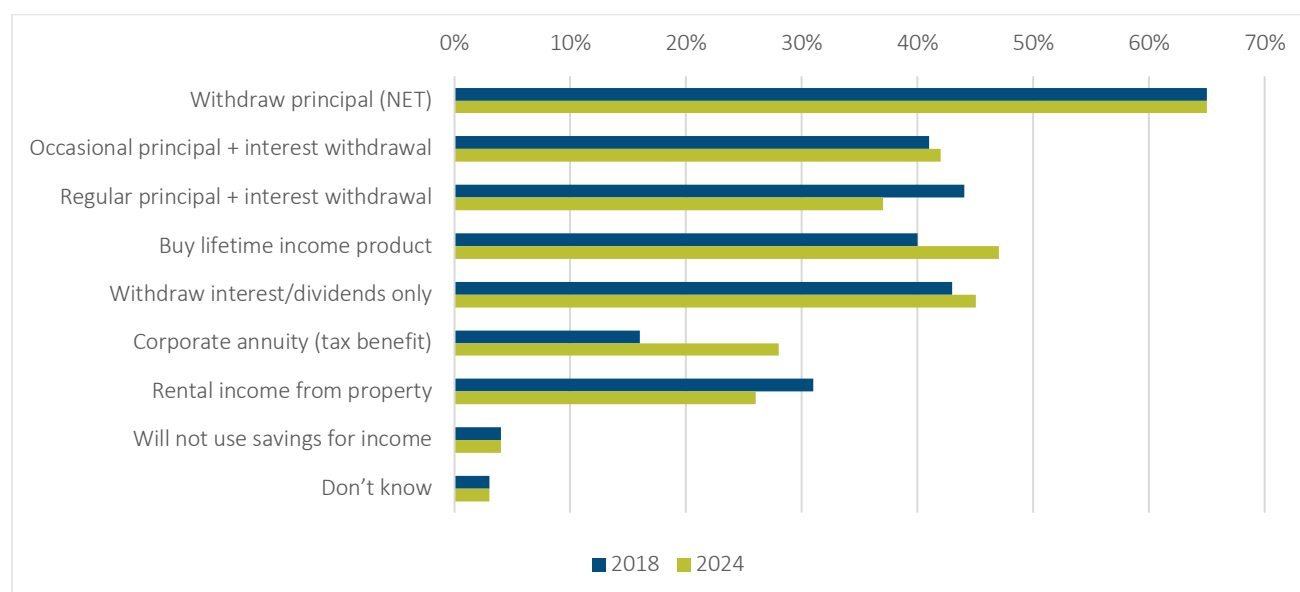
Figure 19

RETIREMENT PLANNING ACTIVITIES (2018 VS. 2024)



There have been changes in retirement income strategies in Taiwan between 2018 and 2024 (refer to Figure 20). While the overall proportion of individuals planning to withdraw principal (NET) remains stable at 65%, certain specific strategies have shifted. The proportion of individuals making regular principal and interest withdrawals has declined from 44% to 37%, while occasional withdrawals have remained relatively stable (41% in 2018 vs. 42% in 2024), suggesting a continued preference for flexible withdrawal strategies. The percentage of individuals purchasing annuities or lifetime income products has increased from 40% to 47%, reflecting greater awareness and adoption of structured income solutions. Similarly, participation in corporate annuities with tax benefits has grown significantly from 16% to 28%, indicating an increased interest in tax-advantaged financial products.

Figure 20
RETIREMENT INCOME STRATEGIES (2018 VS. 2024)



Confidence levels have changed regarding various aspects of retirement planning between 2018 and 2024 (see Table 8). For example, confidence in being able to live the desired retirement lifestyle increased from 62% in 2018 to 68% in 2024, reflecting improved financial optimism. Confidence in having enough savings to last through retirement grew from 49% to 60%, suggesting stronger engagement in long-term financial planning. There was also a rise in active retirement involvement, with 76% of respondents in 2024 stating they monitor and manage their retirement savings, up from 63% in 2018. More individuals expressed willingness in purchasing annuities for guaranteed lifetime income, increasing from 65% to 71%, while confidence in receiving an inheritance rose from 38% to 44%.

However, distrust in financial institutions declined significantly from 33% in 2018 to 21% in 2024, indicating easing skepticism about institutional financial management. Likewise, the rarity of workplace discussions on retirement planning rose from 37% to 41%, suggesting a decline in open conversations about retirement preparedness in professional settings. Newly introduced in 2024, confidence in longevity planning (68%) and confidence in purchasing critical illness insurance (73%) highlight a growing awareness of health-related financial planning, reinforcing the increasing need for comprehensive retirement security solutions.

Table 8
RETIREMENT ACTIONS AND CONFIDENCE (2018 VS. 2024)

Confidence in Retirement Planning Comparison	2018	2024
Actively manage my retirement savings	63%	76%
Willing to buy lifetime income product	65%	71%
Confident in desired retirement lifestyle	62%	68%
Want more employer retirement info/advice	47%	66%
Have enough savings for full retirement	49%	60%
Expect to inherit property	38%	44%
Rare to hear about retirement at work	37%	41%
Don't trust financial institutions	33%	21%
Confident planning covers long life	—	68%
Willing to buy critical illness insurance	—	73%

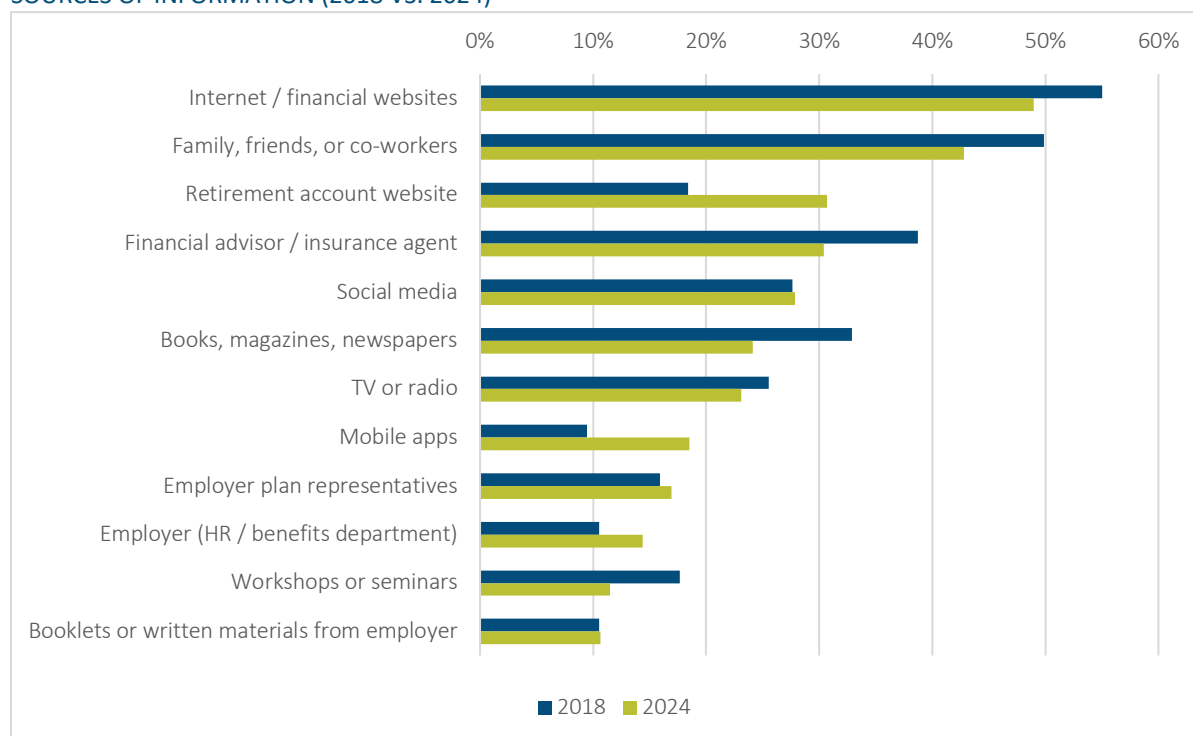
HEALTH CONCERNS, INSURANCE COVERAGE AND INFORMATION SOURCES

- Digital and personalized channels are gaining traction, with growing use of mobile apps and retirement account websites, but reduced reliance on financial advisors and insurance agents.
- Concerns around healthcare, inflation, and long-term care (LTC) have intensified, yet LTC insurance uptake remains limited due to low awareness and a lack of understanding about the product.

Several information sources have seen notable changes in usage, reflecting shifts in how individuals access retirement-related content (as shown in Figure 21). Workshops or seminars dropped from 18% to 11%, while booklets or written materials from employers remained unchanged at 11%. Reliance on HR/benefits departments and employer plan representatives edged up slightly.

Some sources have gained prominence. Retirement account websites increased from 18% to 31%, as did mobile apps, which grew from 9% to 19%, indicating gradual adoption of digital tools. While traditional media like TV/radio and books/magazines/newspapers declined, internet/financial websites eased from 55% to 49%, and family/friends/co-workers fell from 50% to 43%. These trends suggest a mixed landscape, with individuals diversifying their sources while showing growing interest in personalized advice and digital access.

Figure 21
SOURCES OF INFORMATION (2018 VS. 2024)



There is a significant increase in retirement-related concerns among individuals in Taiwan between 2018 and 2024 (refer to Table 9). Healthcare costs remain the top concern, with the proportion of respondents worried about covering medical expenses beyond social insurance rising from 86% to 96%. Similarly, concerns about inflation (85% to 94%) and interest rates (78% to 91%) have intensified, reflecting growing financial uncertainty.

Concerns about outliving assets (64% to 89%) and long-term care availability (LTC) (74% to 90%) have also surged, suggesting increasing awareness of financial longevity risks and the rising cost of elder care. However, the

penetration of LTC insurance in Taiwan is relatively low, with approximately 10% of the elderly population covered⁸. Many people are not fully aware of the benefits of LTC insurance or do not understand how it works.

Personal financial security in the event of a spouse's death has also grown as a concern, with support if my spouse dies first rising from 60% to 77% and support for my spouse if I die first increasing from 67% to 78%. The importance of leaving a legacy for children and heirs increased from 51% to 63%, highlighting the broader scope of retirement planning priorities.

Table 9

RETIREMENT CONCERNS (2018 VS. 2024)

Retirement Concerns	2018	2024
Healthcare beyond social insurance	86%	96%
Savings won't keep up with inflation	85%	94%
Decline in interest rates	78%	91%
Access to long-term/nursing care	74%	90%
Outliving our assets	64%	89%
Tax increases	82%	88%
Prolonged stock market downturn	64%	85%
Support for my spouse if I die first	67%	78%
Support if my spouse dies first	60%	77%
Legacy for children and heirs	51%	63%

⁸ *International Journal of Health Policy and Management. Current status of long-term care in Taiwan.*
https://www.ijhpm.com/article_3706_277bd43705e6f97f35c2113cce8288f8.pdf

6 Conclusions

The findings of this 2024 study provide a timely and nuanced portrait of retirement readiness in Taiwan. As the market navigates one of the most advanced aging transitions in Asia, its citizens are showing a growing awareness of the financial and health-related challenges associated with later life. Since the previous 2018 SOA Asia Retirement Study, notable progress has been made in several key areas: engagement in retirement planning has increased, more individuals are seeking annuity-based income solutions, and confidence in the adequacy of retirement savings has improved.

Retirees are leading this shift, demonstrating high levels of proactivity in retirement planning. Many have estimated their post-retirement income, assessed healthcare costs, and structured their savings for income generation. This group also expressed the highest levels of confidence in their ability to sustain their lifestyle in retirement and shows the greatest interest in financial products that offer guaranteed lifetime income and protection against critical illness and long-term care risks.

However, the report also reveals persistent gaps that need to be addressed. Younger cohorts, including Prime Age Workers and Pre-Retirees, show less engagement in retirement planning activities, lower confidence levels, and a greater tendency to delay savings. While they express strong interest in financial education and products, many are not yet translating that interest into concrete actions. This reflects both behavioral inertia and a broader challenge around accessibility and awareness of effective retirement tools.

Across all age groups, healthcare costs and long-term care remain top concerns. Nearly all respondents worry about covering medical expenses beyond what is currently offered through social insurance. The rise in concern about inflation, chronic illness, and the need for elder care points to increasing financial vulnerability. Yet, ownership of long-term care and dementia insurance remains low, suggesting a clear disconnect between perceived needs and actual financial protection.

The growing reliance on digital information channels, particularly among younger groups, along with increased engagement with employer-provided resources, offers a promising avenue for intervention. Mobile apps, HR departments, and plan representatives have emerged as key channels for retirement-related education and planning advice. However, consumer trust in financial institutions has declined, and workplace conversations around retirement remain limited. This signals a need for more transparent communication, improved consumer outreach, and inclusive engagement strategies.

To strengthen Taiwan's retirement system and individual financial preparedness, the report recommends a multi-stakeholder approach:

- Policymakers should continue to enhance financial literacy initiatives, increase incentives for voluntary retirement savings, and support access to affordable, flexible annuity and insurance products.
- Employers should proactively communicate the benefits of retirement programs, provide guidance tools, and facilitate educational programs tailored to different life stages.
- Insurers and financial institutions have an opportunity to build consumer trust by offering clear, user-friendly product information and developing innovative solutions that align with consumers' long-term care, critical illness, and income needs.
- Individuals, particularly younger workers, should be encouraged to start planning and saving earlier, and to regularly review their strategies to encompass changing economic conditions and personal circumstances.

Overall, retirement readiness in Taiwan is trending positively, but sustained effort is needed to ensure that all individuals can enjoy a financially secure and fulfilling retirement. This requires collaboration, innovation, and a focus on both individual responsibility and institutional support.



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