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NEWS RELEASE

Monday 3rd September



Mind the gap – it's 'State Pension Shortfall day'

From Monday 3rd September the spending of a retired two adult household outstrips the income from two full State Pensions

Official figures indicate the average two person pensioner household will spend around £25,500 a year¹ (£490 per week), while two full State Pensions (£164.35 per person per week in 2018-19) will provide £17,092 over the course of a year.

This means that couples with an average expenditure but solely reliant on the income provided by the State Pension in their retirement will run out of money on Monday 3rd September, and need additional income to make ends meet for the remaining four months of the year.

Households will have to plug a financial gap of £8,367 each year – nearly another full State Pension – if they are planning to live on the typical budget of a retired couple.

Stephen Lowe, group communications director at retirement income specialist **Just Group**, believes the figures are a good benchmark for those thinking about how they will fund their retirement.

"The State Pension is the bedrock of many people's income once they retire and will cover the absolute basics. But this analysis shows it will only cover two thirds of the typical annual expenditure of retired households – leaving people to find the other third themselves.

"We're all familiar with the advice to start saving for a pension at an early age, but what if your age puts you nearer retirement than university? The good news is you do have some options.

"Contact Pension Wise or The Pension Advisory Service to get some free, independent and impartial guidance to help you make a plan. We know that seven in 10 access their pension before age 65² and that accessing pension pots early has become 'the new norm,' yet this could significantly reduce the amount of income people can achieve in later life.

"Taking guidance will help people get a good idea of how much they are likely to need in retirement, then they can manage their existing savings, and perhaps plan to save more, so they can avoid financial difficulty when they no longer have a salary.

"None of us wants to be poor in retirement but pension planning isn't front of mind for most people. 'State Pension Shortfall Day' should provide a good nudge to encourage people to look ahead and start planning for retirement."

Stephen Lowe also said there is evidence that pensioner homeowners are missing out on State Benefits (other than the State Pension) that they are entitled to which could be a great start to financing those final four months of the year.

"Four in 10 pensioner homeowners eligible for State support are failing to claiming any benefits while a further two in 10 are not receiving their full entitlement – this can add up to a few hundred and in some cases a few thousand pounds a year that would make a big difference to people's lives.

“The message is clear – retired homeowners should take steps to find out what help they can claim. The government website [direct.gov.uk](https://www.direct.gov.uk) is a mine of information, while Citizens Advice or other charities may also be able to help.”

Enquiries

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Notes to Editors:

Sources:

1: [ONS Figures: Expenditure of two adult retired households by gross Income: Table A55](#)

2: [FCA Retirement Outcomes Review: Interim Report](#), page 3

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company created by the merger of Just Retirement Group and Partnership Assurance Group.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage over £15 billion of customers' retirement savings and has helped customers release over £3.5 billion from their properties.

Just provides the following wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees:

Marketed Products:

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life and flexible pension plans offering customers the options to blend secured and unsecured income;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services:

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and

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- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

Developed through the use of its specialist underwriting systems, Just boasts unrivalled intellectual property (“IP”) which provides it with competitive advantage in the markets in which it operates. We utilise this IP, alongside a capital efficient business model, to develop products and services to provide customers with better outcomes and to drive profitable growth.

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