

# JUST. NEWS RELEASE

Tuesday 13<sup>th</sup> June 2023



## Guaranteed lifetime income rates on the rise but gap between the best and worst deals grows to nearly 18%

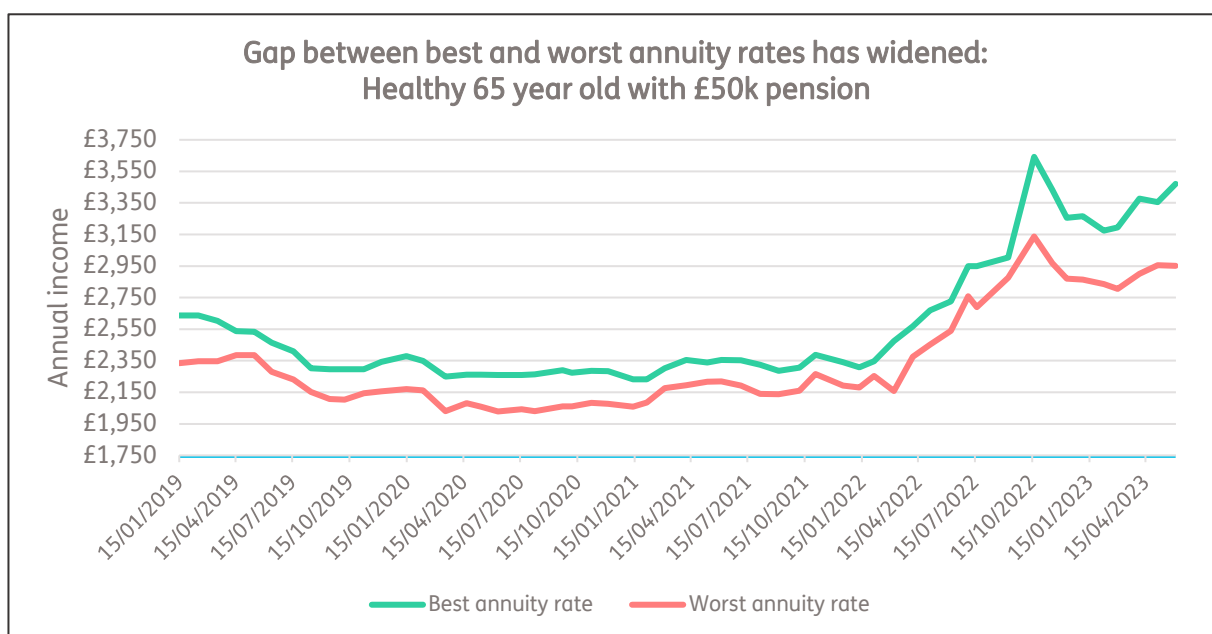
- 18% income gap could deliver more than £500 a year extra for a 65-year-old with £50k pension
- Latest analysis of market rates by Just Group reinforces importance of shopping around

The income available to retirees buying Guaranteed Income for Life solutions is back on the rise but the gap between the best and worst rates has widened to its highest for more than four years, new figures from retirement specialist **Just Group** reveal.

Switching from the least to the most competitive provider can deliver nearly 18% more income, highlighting the importance of shopping around. This is equivalent to a 65-year-old in good health with a £50,000 pension receiving £3,470 a year (6.94%) income rather than £2,952 (5.9%) – equal to more than £500 a year for the rest of their lives.

“Annuity rates have been ticking upwards again in recent months which is encouraging more retirees to consider investing their pension pot in a Guaranteed Income for Life solution,” said **Stephen Lowe, group communications director at Just Group**.

“But some providers are pricing far more competitively than others and the gap between the best and worst has widened to nearly 18% which is its highest for more than four years.”



Recent figures from the Association of British Insurers<sup>1</sup> showed that more than £1bn of annuities were bought in the first three months of this year.

“After many years working towards higher take-up, it is good to see the number exercising their ‘open market option’ right to shop around rising to 64% but that still means more than one-third are likely to be missing out on income,” said Stephen Lowe.

## News release

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“The easiest way to shop around effectively is to engage an annuity broker or a regulated financial adviser who can access all the latest prices on the market and suggest the most suitable options for each client in terms of spouse’s pensions, death benefits and inflation-protection.

“It is important retirees divulge their medical history and lifestyle factors because that can make a big difference to the amount of income on offer.

“Annuities are the only retirement solution that offer guaranteed income for life which removes investment and longevity risk. Retirees often like to know they are receiving a core flow of secure income that they can spend this month knowing more is coming their way next month.

“It also offers retirees more freedom in how they use any pension savings they have not turned into a guaranteed income.”

## Enquiries

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### Notes to Editors:

#### About the research

1 – ABI, Annuity sales surge after turbulent 2022: <https://www.abi.org.uk/news/news-articles/2023/5/annuity-sales-surge-after-turbulent-2022/>

#### About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company.

A leader in the individual retirement income, care and defined benefit de-risking markets, Just has been trusted to manage around £23 billion of customers’ retirement savings and has helped customers release more than £6 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;
- 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
- 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.

The companies within Just Group are authorised and regulated in the United Kingdom by the Financial Conduct Authority and / or the Prudential Regulation Authority.

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