

JUST. NEWS RELEASE

Tuesday 4th April 2023



Majority of UK adults think spending power of State Pension will be lower when they reach retirement

- 55% of UK adults expect State Pension value to fall before they retire
- 45-54 age group least confident its value will be maintained but younger generations are more optimistic

Most UK adults lack confidence that the State Pension will exist at its current value when they come to retire, new research¹ by retirement specialist Just Group reveals.

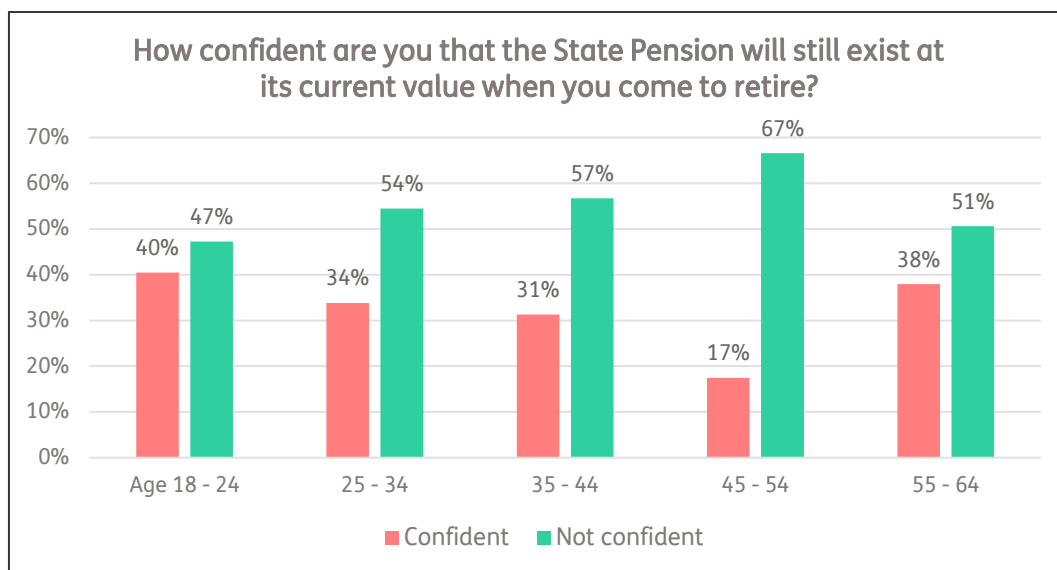
With the State Pension set to rise by more than 10% this week, a survey of 2,000 UK adults reveals that 55% are not confident its value will be maintained by the time they start to claim, compared to 32% who were confident it would keep up with inflation.

The findings come amid concerns about the affordability of the ‘triple lock’, the government promise to increase State Pension by the higher of inflation, average wage growth or 2.5%.

“The government’s announcement not to bring forward a rise in State Pension Age has once again focused attention on the long-term viability of the triple lock and the cost of the State Pension to the public purse,” said **Stephen Lowe, group communications director at Just Group**.

“Our research shows most people are sceptical that when they get to retirement the State Pension will hold the same buying power it does today.”

At all ages, a higher proportion of adults thought the value of the State Pension would fall before they retired than thought its value would be maintained.



The 45-54 age group was least confident that the value of State Pension would be maintained. The age groups closest (ages 55-64) and furthest (ages 18-24) from retirement were the most confident the value would be maintained, but were still outweighed by those who were not confident.

Women were significantly more likely to be pessimistic about the State Pension’s value with just one in five (22%) thinking it would hold its value compared to four in 10 men (41%).

“Under current law, the government is only obliged to increase the State Pension by the rise in average earnings which would mean its value might erode during periods of high inflation,” said **Stephen Lowe**. “The 2023-24 rise, for example, would have been 5.5% had the rise in earnings been applied but by sticking to the ‘triple lock’ it has actually been increased by the 10.1% rate of inflation.

“The government has only guaranteed the ‘triple lock’ until the next General Election and may not be able to resist tinkering, as was the case in 2022-23 when the triple lock was suspended post-pandemic. The ‘triple lock’ has successfully lifted many low-income pensioners out of poverty but there are some that view its days as numbered due to the cost.”

He said that chopping and changing pension policy makes it more difficult for people to plan over the long-term for retirement.

“In recent weeks we have seen private pension saving allowances being changed quite significantly with the opposition party saying these changes would be reversed, as well as the government delaying a decision on when and how State Pension age may rise to 68,” he said.

“The message for pension savers is to take control of the process as much as you can and put in place your own financial plans. That may require taking professional advice or finding ways to save more, but it will help insulate you from future government decisions that may damage your plans.”

ENDS

Enquiries

Media

Stephen Lowe, Group Communications Director

Lucy Grubb, Head of Media & PR

Telephone: +44 (0) 1737 827 301
press.office@wearejust.co.uk

Temple Bar Advisory

Alex Child-Villiers
William Barker
Sam Livingstone

Telephone: +44 (0) 20 7183 1190

Notes to Editors:

1 – Just Group, Research for Just Group by Opinium Research, 2,000 UK adults weighted to nationally representative criteria, conducted 21-24 March 2023.

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 over £23 billion of customers’ retirement savings and has helped customers release more than £6.5 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;
- 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.

Just Group plc is registered in England and Wales with company number 08568957. Its registered office is at Enterprise House, Bancroft Road, Reigate, Surrey, RH2 7RP. Just is a trading name used by Just Group plc and its group companies. For information about Just Group plc and its group companies visit www.justgroupplc.co.uk or www.wearejust.co.uk. Please contact us if you would like this document in an alternative format.



www.justgroupplc.co.uk



@wearejust_pr