

Transcript



Do annuities offer good value?

By Roger Marsden Head of Retirement Solutions Products and Services

Annuities in the UK were built for one sole reason and that was to provide you with a guaranteed income for the rest of your life, no matter how long you live, and as life expectancy is increasing we anticipate this hopefully being a very large proportion of your life.

This is the only guarantee in the market which offers this level of peace of mind.

So how do they work, putting it simply we take the pension pot that you've built up during your working life and buy assets. These assets generate an income, and we set and tell you precisely how much we will give you, on an annual basis, at the start of the annuity contract. This means that you are no longer open to the fluctuations in the investment market.

With this in mind we think it's absolutely crucial that you shop around for the best rate, as different companies have access to different assets and may have different views around your medical conditions.

So if we can leave you with one message from this particular part, it's to shop around for the best possible rate and shape of annuity to suit your needs.