

Shopping around for an annuity could earn you £15,000 more over the course of your retirement

- New analysis from Legal & General Retail reveals average annuity income¹ for June 2023 has increased by over £800 when compared to June last year
- Demand is also up with annuity quote enquiries increasing by two thirds (67%) compared to the same time last year
- Annuity Ready data reveals a 9.1% difference in top and bottom annuity rates currently available on the market

New analysis from Legal & General Retail reveals a 66-year-old with a £100,000 pension pot can now purchase an annuity that pays an annual income of £6,790– an increase of £842 when compared to the same time last year.

Rising interest rates are driving the highest demand for annuities in years, with Legal & General Retail seeing 67% more quote requests² when comparing June 2023 to June 2022.

Data from annuity comparison service, Annuity Ready, found that the difference between the best and worst annuity available is huge. A 66-year-old with a £100,000 pension pot are finding rates differ by as much as 9.1% - a difference of £622 in potential annual income or £14,928 over the course of the average retirement³.

“In recent months there has been a significant increase in focus on annuities, not least as a result of rising rates, which as our data shows can have a very real impact on the income of someone who has purchased an annuity. However, despite the record rates, this should be part of a wider discussion and is only one aspect of the value annuities can offer. Annuities continue to be a good option for people who want peace of mind and the assurance that comes with a guaranteed income for the rest of their life.

“If you are considering an annuity, it’s important to look at all your options carefully and make sure you’ve had all the advice and guidance you need before deciding what the right choice is for you. As our research shows, it is really key to shop around to make sure you are getting the best deal. For people looking to research their own annuity the award-winning [Annuity Ready](#) website compares rates across the whole market. It will point you towards the best income you can get, even if it’s not with Legal & General. Alternatively, you can also consult a financial adviser to explore rates and your available options, or come directly to Legal & General.”

Lorna Shah, Managing Director of Retail Retirement at Legal & General Retail

-ENDS-

Notes to editors

¹As at 30/6/23 a standard lifetime annuity with a rate of 6.79% for a single life with a £100k premium, 66 years old, with a 5 year guarantee. Based on a level benefit that is paid monthly in advance.

² Legal & General Retail received 206,544 quote requests in June 2023 vs. 123,848 in June 2022. This is a 67% increase.

³ As at 30/06/2023, Legal & General Retail estimates that an average 66 year old with a standard level of health will have a life expectancy of 90 years

⁴ Annuity Ready is a trading style of Investment Discounts On Line Ltd and is part of the Legal & General Group.

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with over £1.2 trillion in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

**at 31 Dec 2022*

About Legal & General Retail

Legal & General Retail helps create brighter financial futures for all our customers. The division covers the savings, protection and retirement needs of our c.13 million retail policyholders and workplace members.

In 2022, we had total individual annuity sales of £954 million, and issued £632 million of Lifetime Mortgages and Retirement Interest Only Mortgages. Our Workplace pension platform served 4.9 million members, while our Protection businesses gave peace of mind to more than 6.3 million UK life insurance, 1.8 million group and 1.5 million US customers, taking in £3.1 billion of gross written premiums.

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