Legal & General Group Plc
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700,000 to reach retirement age in 2022: seven things to consider for people approaching this milestone

This year, nearly 700,000[1] people will reach state retirement age. Each person will face a very different retirement journey: many choose to work beyond this point, some will want a phased approach to retirement while others may have retired already. The pandemic also continues to affect people's retirement plans, with 12% of employees aged 50+[2] estimating that they will delay retirement due to its impact. But what they all have in common is the need to make decisions about planning for, and managing, their money in later life.

To help people navigate this milestone, Emma Byron, Managing Director of Legal & General Retirement Solutions, shares seven things to consider:

1. **Think about the retirement you want.** Retirement is no longer linear. Some people continue to work into their 70s, while others want to retire as soon as possible. For some it's unpredictable and overwhelming, for others it's a positive experience, with many new opportunities. Legal & General's Rewirement podcast examines real stories of people's retirement, including how retirees prepared financially and how they managed the transition to their new lives.

2. **Track down your pension pots.** If you have had several jobs over your lifetime, the likelihood is that you have multiple pension pots varying in size. Make sure to track down any lost and forgotten pension pots; find out what you have and think about whether you want to bring them together under one roof. You can also find out what you will receive in state support in addition to your own pots by getting a State Pension Statement or visiting www.gov.uk/state-pension-statement

3. **Make a budget**. Once you know how much money you can access in retirement, think about the lifestyle you want and how much income you need to fund it. The Legal & General Retirement Calculator can help you work out how much your pension could give you, based on your age. You can then add any other savings or investments into the mix, as well as the State Pension. When budgeting, consider any potential changes to spending habits being clear on what is an essential spend and factor in a likely reduction in your income. Small reductions across the board can really add up. While learning to manage your finances won't necessarily

result in more income, it will help you make the funds you have go further. To help you work out your budget and understand your options, you could take The Open University's free Retirement Planning Made Easy course.

4. **Think about how to make your money last.** The reality of planning for retirement can be complicated, especially with rising inflation. Not having a plan could leave you short of funds in later life, or even see you become too cautious with your spending. Either way, the result is the same: you can't enjoy the retirement you really want. For starters, check your life expectancy using the Office for National Statistics' official calculator and plan for the longest life possible, not the average. It's only an estimate, but you'll have a much clearer idea of how long you will need to fund your basic living costs.

5. **Consider ways to boost income**. There are various ways that you can boost your retirement income, if you feel your pensions savings are not adequate. The obvious option is to delay your retirement. Not only will this mean receiving an income for longer, it also means you can defer your State Pension. Alternatively, you could consider a slower transition into retirement, steadily reducing the number of hours you work so that your income stream doesn't stop so abruptly; in a new world where working from home is more common, this might even be more achievable. Part-time work and turning a hobby into an income can also help you adjust to this new chapter in your life. It's also never too late to save. Even just setting aside a small amount each month can make a big difference over a few years, especially if invested in your pension.

6. **Thinking about the family home as a valuable asset**. Releasing cash from your home is another way to boost income in retirement. One option is to downsize; moving to a smaller, less expensive house. There will be costs involved and of course the upheaval to consider, but after paying moving costs and stamp duty, there could be money left over to use as you wish. The other option is releasing equity from your home while you still live in it, by securing a loan against the property, such as a lifetime mortgage. While this is a long-term decision and one that is not right for everyone, it can make a real difference to retired homeowners.

7. **Get advice.** When planning for retirement, consider taking independent financial advice. You will need to make a lot of decisions that could affect your income for the rest of your life. If you don't want to, or cannot afford financial advice, then book an appointment with Pension Wise, a government service from MoneyHelper which offers free impartial pensions guidance.

"Retirement means a lot of different things for different people but if the pandemic has taught us anything, it is to prepare for uncertainty. This is particularly true when it comes to our finances. As we look to the year ahead, we can only guess what impact rising inflation might have on our living costs or savings. This makes it even more important for those on the cusp of retirement to get their financial affairs in order. These seven tips are a helpful starting point,

however, the single best thing you can do is make a financial plan, and review it annually, and readjust or re-evaluate should circumstances change for you or your family."

Emma Byron, Managing Director, Legal & General Retirement Solutions

-ENDS-

[1]On average, the best indicator of how many people will retire in a given year is still how many people will reach the statutory retirement age of 66. Based on the number of people expected to reach the state retirement age in 2022. ONS Mid Year Estimates for 2020 (released in 2021) show 718,065 people aged 64 who would therefore reach 66 in 2022. Taking into account expected deaths (ONS number of certified deaths in the UK of people aged 64 and 65 in 2019 was 13,119), this leaves 691,827 people expected to reach 66 in 2022.

June 2021, Estimates of the population for the UK, England and Wales, Scotland and Northern Ireland: https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalesscotlandandnorthernireland

March 2020, Deaths registered by single year of age, UK - 7,741 Male deaths of people aged 64 and 65 in 2019, 5,378 female deaths of people aged 64 and 65 in 2019 – over 2 years this totals 26,238: https://www.ons.gov.uk/peoplepopulationandcommunity/birthsdeathsandmarriages/deaths/datasets/deathregistrationssummarytablesenglandandwalesdeathsbysingleyearofagetables

[2]Opinium survey of 4,000 UK adults between the 31st October and 3rd November 2021

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.3 trillion in total assets under management*, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, alternative asset origination, life insurance, 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 30 June 2021*

About Legal & General Retail Retirement (LGRR)
Legal & General Retail Retirement's mission is to help its customers lead longer, healthier, happier lives. We believe everyone should be able to have a 'more colourful retirement'. The Division comprises the Group's retirement savings and income, later life lending and care solutions businesses. In 2020, LGRR wrote £910 million of annuity premiums and issued £791 million of lifetime and retirement interest only mortgages.

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