

Annuity now or annuity later?

Scottish Life

10 May 2013

Scottish Life, the pensions specialist business of the Royal London Group, is highlighting a flexible solution which advisers may want to consider when faced with a common retirement problem.

Fiona Tait, Business Development Manager at Scottish Life, says:

“Traditional retirement is changing. People need more flexibility when it comes to their retirement options. Taking an annuity immediately on reaching 60 or 65 is not the right option for every client.”

Key issues in today’s retirement market include:

- people are living longer in retirement; their income needs will change over time
- annuity rates are around the lowest levels in 20 years
- protecting annuity income against future inflation can be expensive
- buying an annuity is a final decision; there’s no way back.

Fiona Tait explains:

“Although there are risks involved, and it isn’t suitable for everyone, income drawdown can be useful as a flexible alternative for many people, bridging the gap until they are ready to purchase an annuity.

“As the market’s top provider¹, Scottish Life has created a unique, new income planning tool for advisers to use.”

The income planning tool is:

- easy to follow, with a compliance-friendly process
- designed to assess a client’s attitude to risk and capacity for loss
- able to support the adviser’s ongoing review process.

For clients taking income, Scottish Life has developed a unique range of five risk-graded, actively managed portfolios (GRIPs), launched in August 2012.

-ENDS-

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Editor's Notes:

1 66.3% market share -- 2012 Scottish Life and Association of British Insurers figures, for the 12 months to 31 December 2012, based on External Unit Linked Drawdown Transfer Business.

Scottish Life was founded in 1881 in Edinburgh as a proprietary company, becoming a mutual company in 1968. On 1 July 2001, Scottish Life demutualised and transferred its business to The Royal London Mutual Insurance Society Limited. Scottish Life is a division of Royal London and is the specialist pensions business within the Group, providing individual and group pensions to the market via intermediaries.

Scottish Life and Royal London's other intermediary businesses are based mainly in Edinburgh where 1,080 staff are employed, with 760 working in other parts of the UK and overseas.

Awards received by Scottish Life in 2013:

Money Marketing Financial Services Awards

- Best Pension Provider

Corporate Adviser Awards

- Ultimate Default Fund for the Governed Range (for fourth year running)

Awards received by Scottish Life in 2012 included:

Financial Adviser Service Awards

- 5 star award for excellent service and rated top provider in the Life & Pensions category

Incisive Media Gold Standard Awards

- Group Pensions
- Individual Pensions

Investment, Life & Pensions Moneyfacts Awards

- Best Pension Service (for the third consecutive year)
- Best Income Drawdown Provider

Money Marketing Financial Services Awards

- Company of the Year
- Best Pension Provider

FTAdviser.com Online Service Awards

- 5 star award for online service (Life & Pension category) for sixth year running

Corporate Adviser Awards

- Ultimate Default Fund for the Governed Range (for third year running)

Financial Adviser Life & Pensions Awards

- Pension Provider of the Year
- Group Pensions Provider of the Year
- Individual Pensions Provider of the Year

Royal London Group is a specialist financial service provider. Its businesses focus on those sectors of the market which value quality propositions, operating through a number of brands:

- Scottish Life – UK pensions market
- Bright Grey – UK protection market
- Scottish Provident – UK protection market
- Caledonian Life – ROI protection market
- Royal London 360° – offshore investment markets
- RLAM – fund management
- Royal London Plus – life and pensions administration
- Ascentric/IFDL – Wrap platform
- MoneyVista – online financial planning service for consumers

Royal London is the largest mutual life and pensions company in the UK with Group funds under management of £49.8 billion. Group businesses serve over 3.6 million customers and employ 2,910 people. Figures quoted are as at 31 December 2012.