

You could earn nearly £6,000 extra over the course of your retirement just by shopping around for an annuity

- New analysis from Legal & General Retail reveals average annual annuity income¹ for September 2023 has increased by £174 when compared to September last year.
- Demand is also up with annuity quote enquiries increasing by almost three quarters (71%) compared to the same time last year
- Annuity Ready data reveals a 3.6% 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 £7,000– an increase of £174 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 71% more quote requests² when comparing September 2023 to September 2022. Looking beyond rates, this increase in enquiries could also be as a result of people seeking the security an annuity can offer, amid a continuously difficult economic backdrop.

Data from annuity comparison service, Annuity Ready, found that the difference between the best and worst annuity available is sizeable. A 66-year-old with a £100,000 pension pot are finding rates differ by as much as 3.6% - a difference of £254 in potential annual income or £5,945 over the course of the average retirement³.

“Interest in annuities has continued to grow this year thanks to rising rates, and while securing the best rate is important, rates aren’t the only value annuities can offer. Annuities can be a good option for people who want peace of mind and the assurance that comes with the security of having a guaranteed income for the rest of their life. Whilst record rates should only form part of a wider discussion for people considering purchasing an annuity, our data highlights that the rate can have a very real impact on people’s annuitised income, so it’s always worth shopping around.

“If you are thinking about purchasing an annuity, it’s important to consider all your options carefully. Make sure you’ve had all the advice and guidance you need before deciding what the right choice is for you. For people looking to research their own annuity, you can come directly to Legal & General and we will help to show you the best rate, even if it isn’t with us. Our [Annuity Calculator](#) can help give an estimate of your potential retirement income from a pension annuity and other guaranteed income products. Alternatively, you can also consult a financial adviser to explore rates and your available options.”

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

-ENDS-

Notes to editors

¹As at 30/9/23 a standard lifetime annuity with a rate of 7% 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 observed a 71% increase in quote requests in September 2023 vs. September 2022

³ As at 30/09/2023, 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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