

## Inflation decrease welcome relief for UK pension pots

**Lincoln research reveals over half of British population are worried about impact of inflation on their pension**

**Two fifths of UK believes they will run out of money by age 85**

**People recognising value of flexible retirement options**

Today's announcement that inflation levels have decreased to 3% will hopefully be good news for UK retirees. As Lincoln Financial Group research\* revealed, 55 per cent of those approaching retirement were worried that inflation and rising costs of living mean they will not be able to afford to meet their lifestyle needs when they retire.

Turbulent market conditions have already seen many pension pots significantly decrease in value and when we carried out our survey in early autumn 2008, two fifths (41 per cent) of the UK's population believed they will entirely run out of retirement income by the time they reach the age of 85. Lincoln's research has also found that one in ten (11 per cent) weren't even certain that they have enough money in their pension pot to last them to the age of 70.

Over half (53 per cent) of UK adults relied on a pension - other than the state provision - to provide them with an income in retirement, so it is vital that they consider all retirement product options to ensure they get the financial support they require from their pension.

**Simon O'Connor, Head of Products and Marketing at Lincoln Financial Group, said:** *"With recent decreases in inflation, which will hopefully have an impact on the pensioners' inflation rate which is still well above the headline level, pensioners will hopefully feel they are able to stretch their retirement funds a little further as the cost of living decreases. Unfortunately not all household expenses are decreasing, so it is extremely important that people budget and plan for their retirement especially with retirement funds suffering in the current market.*

*"As retirees have seen their pension pots dramatically decrease over the past year they are now recognising the value of flexible retirement pension products and we have seen a 30 per cent increase in enquiries for Lincoln i2Live\*\*".*

Lincoln Financial Group offers customers a range of flexible options to take them through each stage of retirement planning, including a personal pension plan for consolidation, an income drawdown for income flexibility and an investment-linked flexible annuity to continue income and investment flexibility after age 75. Lincoln i2Live offers i2Live Accumulator, i2Live Drawdown and i2Live Annuity

under one umbrella, and allows customers to move from one product to the next to suit their circumstances.

Since *Lincoln i2Live* was launched in 2007, Lincoln has made a number of improvements to the product following ongoing feedback from IFAs on the needs and requirements of customers. These include a smaller annual plan fee, lower minimum investment, wider age of entry for *i2Live* Annuity and greater flexibility of the Income Guarantee Option.

**This press release is intended for investment professionals and journalists and should not be relied upon by private investors or any other investors. *Lincoln i2Live* is a product range issued by Lincoln Assurance Limited. Full consumer product information can be found at [www.lincolnuk.co.uk](http://www.lincolnuk.co.uk).**

**Ends**

#### **Notes to editors**

##### **Source**

\* Opinium Research carried out an online poll of 2,226 British adults between 31 August and 2 September 2008. Results have been weighted to nationally representative criteria

\*\* *Lincoln i2Live* enquiries increased by 30% in November compared to the previous month

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#### **About Lincoln Financial Group**

Lincoln Financial Group is the UK business name of Lincoln National (UK) PLC and its UK subsidiary companies.

Lincoln National Corporation, the parent group, is listed as LNC on the New York Stock Exchange and is one of the world's largest organisations, placed in the FT Global 500 in 2007. Lincoln National Corporation was founded in 1905 and has a proud heritage of over 100 years financial strength and security, with long term credit ratings\* (as at 27 August 2008) of 'A+' from Standard & Poor's, 'a' from AM Best, 'A+' from Fitch and has assets under management of more than \$221 billion (as at 30 June 2008) and more than \$10.6 billion in annual revenues (for the year ended 31 December 2007).

The UK operation dates back to 1934 with assets under management of £4.74 billion (as at 30 June 2008). Lincoln in the UK is passionate about doing the best for its customers at or in retirement, by bringing to the market reliable and flexible solutions which enable transition through retirement, protecting and enhancing wealth to enjoy an income for life. It serves the needs of customers

nationwide either direct or through financial advisers and is dedicated to building excellent customer service.

In the UK, Lincoln Financial Group includes Lincoln Assurance Limited, Lincoln Investment Management Limited and Lincoln Unit Trust Managers Limited, which are each authorised and regulated by the Financial Services Authority. Any information offered will relate to the life assurance, pension and unit trust products and services of the Lincoln Financial Group, or may relate to other types of products or services of carefully selected partner companies not part of the Lincoln Financial Group. No personal financial advice or recommendations will be given.

\*All ratings have a “stable” or creditwatch positive outlook as defined by the respective agencies.