

Press release



4 June 2009

12 million** UK adults still not able to make pension contributions

A quarter of UK adults are not able to save into a pension

More than one in five burdened with existing debts

17 per cent not saving into a pension as the markets are too bad

A new study* from Lincoln Financial Group has revealed that 12 million** UK adults are still not making pension contributions from their salary to fund retirement. The study, which shows how the UK pensions savings gap is still clearly evident, also highlights some of the reasons why UK adults are currently struggling to prioritise pensions over other financial responsibilities.

Of the quarter (26 per cent) of UK adults who are not saving for retirement almost half (48 per cent) of these claim they need any extra cash they have to cover day to day expenses. A further fifth (23 per cent) of those who don't have a pension say it's because of the burden of their outstanding loans and debts.

17 per cent of UK adults who are not saving into a pension say they are too concerned over the economic downturn and subsequent fragility of the stock market.

As well as the clear impact of the macro economic factors, unfortunately confusion and apathy also still seem to be reigning factors stopping UK adults saving for retirement. 15 per cent of those without pensions haven't got around to sorting it yet and one in ten (10 per cent) say they don't know what their pension options are.

Simon O'Connor, Head of Products and Marketing at Lincoln Financial Group, said: *"Clearly people's finances are stretched at the moment. Unfortunately, this can lead some people to push pension contributions to the bottom of the priority list. However, we would suggest people look beyond their short term financial situation and start to make plans for their retirement as early as possible. This is especially important when you look at how life expectancy levels are on the up - so people need to make sure they are putting money aside for their later years."*

"Saving into a pension is still usually the most effective way of generating a retirement income; not only do pensions benefit from tax relief they also offer a good opportunity for income growth over the long term."

UK adults not saving for their retirement is an increasing problem as a previous research study*** from Lincoln has also shown that two fifths (41 per cent) of the UK's population will run out of retirement income by the time they reach age 85. With two thirds (65 per cent) expecting to live to 85, this is evidently a major concern for retirees.

Ends

About *Lincoln i2Live*

Lincoln i2Live was launched to provide customers with a unique range of flexible options to take them through each stage of retirement planning. *Lincoln i2Live* offers three products under one umbrella, *i2Live* Accumulator, *i2Live* Drawdown and *i2Live* Annuity, and allows customers to switch from one product to the next to suit their circumstances.

Notes to editors

Source

* Opinium Research carried out a poll of 2,013 UK adults in April 2009. Results have been weighted to nationally representative criteria.

**26% of population (48million) equals 12 million people

***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.

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

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About Lincoln Financial Group

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Lincoln National Corporation, the parent group, is listed as LNC on the New York Stock Exchange. Lincoln National Corporation was founded in 1905 and has a proud heritage of over 100 years financial strength and security, with credit ratings (as at 4 March 2009) of 'A-' from Standard & Poor's, 'a-' from AM Best, 'A' from Fitch and has assets under management of \$178 billion (as at 31 December 2008).

The UK operation dates back to 1934 with assets under management of £4.19 billion (as at 31 December 2008). Lincoln Assurance Limited is part of Lincoln in the UK, within which UK life and pensions business is written. AKG actuaries' current financial strength rating (as at October 2008) rated Lincoln Assurance Limited with an overall Financial Strength rating of 'B+'.

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 enables a smooth transition through retirement, protecting and enhancing wealth to enjoy an income for life. Lincoln serves the needs of customers nationwide through financial advisers and is dedicated to building excellent customer service.

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