

Prudential Finds Brits Fear Outliving Pensions



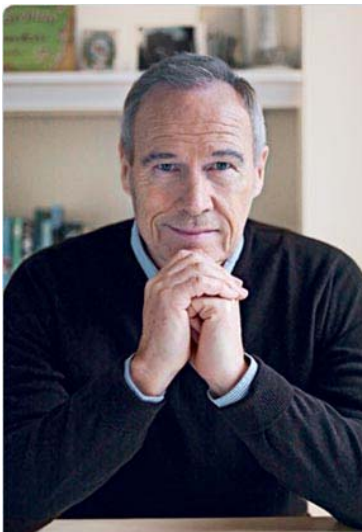
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Author: [Prudential](#)

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Prudential research findings show that more than half (59%) of British adults fear they will outlive their pension savings, as increasing longevity means workers are having to save more money to fund a longer life in retirement.

The findings from the new research* commissioned by Prudential also revealed that 55% of British adults are creating 'second pensions' and supplementing [retirement income](#) with additional savings and investments in order to make ends meet.



Almost one in three (31%) of British adults have or are looking to boost [pension savings](#) and create second [pensions](#) with Additional Voluntary Contributions (AVCs) which have the same or better tax breaks as a regular pension. 36% said they intend supplementing their pension with additional cash savings, 17% are looking to boost pension income using stocks and shares and 15% plan to downsize their homes and release equity.

In addition 19% of British workers would consider using paid employment to help fund their retirement over and above their expected pension income.

Despite this, more than one in three (36%) of British adults still intend taking a lump sum from their pension at point of retirement, reducing their retirement income, with the average British worker looking to take around 17% of the fund from their pension as a single tax-free payment.

Richard Harrison, Corporate Pensions Director at Prudential, said: "Increasing longevity means workers are having to accept that pensions will be stretched over a longer period and will therefore deliver a lower income than they might expect. Today, a 30-year old man can expect to live until he is 86 years old**.

"This is a scary proposition for people considering how to fund their retirement but there are plenty of options for boosting savings, including tax-efficient Additional Voluntary Contributions. We believe everyone should see an independent financial adviser to ensure they are saving enough to fund their life in retirement.

"For many people, taking a lump sum and also having a pension that provides sufficient income to live a comfortable retirement will not be possible unless they save more or retire later."

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Sources

* Survey conducted 11th–18th March 2010 among 2010 British adults aged 18+ using an online methodology, by Research Plus.
** Source: 2008-based cohort life expectancies from the Office for National Statistics' Principal Projection for the UK

About

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Media enquiries:

Izabella Siemicka
PR Manager
Prudential
3 Sheldon Square
London
W2 6PR
020 7121 8513
www.pru.co.uk

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