





Taking a guaranteed income for life (annuity)

A fixed income you can rely on

Looking for peace of mind that you won't run out of money when you retire?

A guaranteed income for life, also known as an annuity, gives you a regular income every year as long as you live so you don't need to worry about outliving your pension pot.

What do I need to think about?		
	Will I get a regular income?	
	Will I have a guaranteed income for life?	✓
	Do I need to regularly review my investments?	✗
	Can I change my mind at a later date?	✗
	Can I choose to add the option to pass on my income to my spouse or partner after my death?	✓*
	Can I choose to add the option for my income to keep up with the rising costs of every day goods and services?	✓
	Can I access my pension money at any time?	✗

*Usually you can't pass on your guaranteed income for life unless you choose to add on the option.

It pays to shop around



We have a service that can shop the whole of the market for you and ensure you get the highest income and annuity options that are right for you. You can also research and shop around the open market yourself so you don't have to buy an annuity from our panel.

Compare rates by visiting the **Money Advice Service website** and use their free and independent guide to shopping around for your annuity.

The amount of income you get will depend on:



- Your age
- The size of your pension pot
- Your health and lifestyle
- The rates when you buy your annuity
- Your postcode
- How often you receive your income
- Adding additional options

Your health and lifestyle could pay a higher income



If you smoke or have any health conditions past or present, you could qualify for a higher guaranteed income (**enhanced annuity**). These tend to pay a higher income because the annuity provider expects to pay out over a shorter time.

A guaranteed income for life (annuity) can be tailored to you

There's a range of options you can add to make sure your annuity is right for you.

How often your income is paid

You can normally choose to have your annuity income paid monthly, quarterly, half-yearly or yearly and whether it's paid in advance or in arrears.



Protect the value of your pension pot

This is called **value protection**. It ensures if you die before receiving the full value of your guaranteed income pot, a lump sum is paid to your beneficiaries.



Guarantee your income after your death

This is known as a **guarantee period**. A typical annuity stops after your death, adding this option ensures a guaranteed income for a chosen period of time (usually between 0-30 years). This means your annuity could continue to be paid out to your beneficiaries even after your death.



Provide for your loved ones

You could choose an income that allows you to provide for your partner or dependant should they outlive you.



A fixed income

You can choose an income which stays the same throughout your life and never increases. This is called a **fixed income**.

A fixed income means over time your money could buy less in the future than it did in the past.



Increasing income

You can choose to have the value of your income change in line with inflation or increase by a set rate of 0-10% each year.



Building in more options reduces your income

It's important to weigh up adding more options to your income and consider carefully if they are right for you. These will reduce your starting income and you won't be able to change your mind later.

Use the **Money Advice Service Annuity Comparison table** to see how much adding additional options could affect your income.



How could inflation affect my income?

Inflation can really affect the cost of everyday goods and services overtime. See how 2.5% inflation increase per year could affect the value of your income in the future.

	Cost now	In 5 years	In 10 years	In 20 years
 Loaf of bread	£1	£1.13	£1.28	£1.64
 Weekly shopping	£100	£113	£128	£164

Need more help?

If you're unsure what's right for you, consider getting financial advice. Although there will be a cost for advice, it could save you money in the long run. If you don't have an adviser, we can help you find one at [standardlife.co.uk/1825*](https://www.standardlife.co.uk/1825) or find a financial adviser in your area visit [unbiased.co.uk](https://www.unbiased.co.uk)

You can also get free impartial government backed guidance over the phone or face to face with Pension Wise. For more information go to [pensionwise.gov.uk](https://www.pensionwise.gov.uk) or call **0800 138 3944**.



*'1825' is a trading name used by 1825 Financial Planning and Advice Limited, which is part of the Standard Life Aberdeen Group.