
16% of Briton retirees will have nothing but state pension: Prudential plc

By Editor Test *Wed, Apr 18, 2012*

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LONDON—One in six citizens of the United Kingdom who plan to retire in 2012 will depend entirely on the State Pension to fund their retirement, according to Prudential plc's "Class of 2012" study, which analyzed the financial expectations of Britons nearing retirement age.

Women are more than twice as likely as men to have no other retirement savings or resources; 20% of women retiring in 2012 will depend exclusively on the State Pension compared with just 8%per cent of men.

Overall, Britons planning to retire this year will rely on the government for 34% of their income, on corporate pensions for 35% of income, and on a mixture of savings, investments, personal pensions, part-time work and assistance from family members for the remainder. State Pension payments are set to rise to £107.45 (\$171.20) a week for single people on April 6.

Regionally, people retiring this year in the Midlands are the most likely in the UK to rely on the State Pension (40%). This compares with a quarter (28%) of those in Scotland, who claim to be the least reliant on the state for their retirement income.

The Prudential research also shows that 26% of people retiring this year either overestimate by more than £500 (\$797) a year what the State Pension pays, or simply do not know.

"While the State Pension is a safety net for pensioners in the UK, it should only ever be regarded as part of an overall retirement plan," said Vince Smith-Hughes, retirement income expert at Prudential. "For far too many people, the State Pension has become the default income option in retirement."

Research Plus conducted Prudential plc's online survey between December 2nd and 12th, 2011, among 9,614 UK non-retired adults aged 45+, including 1,003 retiring in 2012.

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