



PRESS RELEASE

BRITONS UNDERESTIMATE PENSION POT NEEDED FOR COMFORTABLE RETIREMENT BY OVER £250,000

Comfort in retirement requires an average income of £33,070 per year, according to Alico Wealth Management's (Alico) *Financial Pressure Points* research.

The latest research from Alico found that nearly half (47 per cent) of UK adults believe that they need an income of between £20,001 and £40,000 per year to be able to retire in comfort.

However, in order for a 65 year old male to retire on £33,070 per year, he would need to have accrued a pension pot of £508,700. This is nearly double the average £256,750 that respondents think they will need to retire on.

Even more concerning is the fact that, based on a combination of investments and pension savings, the average Brit expects to have amassed a fund of just £168,060 at the point of retirement – which would give a male who retires at 65 years of age an annual payout of just £10,908. This is less than a third of the amount which the average Brit believes they need to be able to enjoy a comfortable retirement.

This grim reality could well scupper the plans of those dreaming of a celebrity style retirement. More than one in five (21 per cent) people think that they will live out a comfortable retirement in sunnier climes, like Sean Connery, whilst a further 17 per cent are convinced that they will have built up enough money to continue living the high life – like Ronnie Wood or Joan Collins – well into their golden years.

Jon Sadler, head of retirement solutions at Alico Wealth Management, comments: "Making sure that the UK has adequate pension provision across the board is clearly on the agenda of the new Government. Our research shows that there is a gulf of more than quarter of a million between what Brits think that they need to save for a comfortable retirement, and the reality of their situation.

“Despite all the media attention in recent years, people in the UK still need to be better educated about the importance of making provision for the future. Getting into the habit of putting a regular amount of money into a personal pension and making sure their pensions keep working hard will go a long way towards ensuring a more comfortable retirement for people in the UK – even if the payments start off small and build up over time.”

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Notes to editors

Alico used the independent online research company, Research Plus in June 2010, to survey 2,000 people from across the country aged 18 and over.

Pension pot requirement for income of £33,070 and income available from retirement savings of £168,060: figures correct as at 23 July 2010. Assumes single life, level annuity with no guaranteed period. Source: FSA comparison tables on www.moneymadeclear.org.uk.

About Alico

“American Life Insurance Company (Alico) is a leading international life insurer with a unique heritage of serving customers across the globe for over 85 years. The company provides consumers and businesses with products and services for life insurance, accident and health insurance, retirement planning, and wealth management solutions. Through an extensive network of over 60,000 agents, brokers, financial institutions, and other points of distribution, and 12,500 employees across more than 50 countries, Alico services 20 million customers worldwide.

Alico has branch offices, subsidiaries and affiliates in emerging, developing and developed markets in Europe, Asia, the Middle East, Africa and Latin America. Alico is domiciled in Wilmington, Delaware and has regional headquarters in Tokyo, Paris, Athens, Dubai, and Santiago, Chile.”

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