



Annuities Explained

We'll take you through
your options



What's so special about annuities?

When you come to retire, you need to decide what to do with your Retirement Account. One of the options is to buy an annuity. An annuity converts your Retirement Account into a regular income when you reach retirement age.



It's a bit like being paid a salary even after you've stopped working.

There are many types of annuities to choose from, and the amount of money you get from each can vary greatly. Plus, once you've bought an annuity, you can't change your mind. So it's really important to shop around before you make a decision.

But don't worry, we're here to help. We'll make it easy for you to choose the right annuity for your future – and help you get the best value for money.

An annuity pays you a regular income when you reach retirement age



Choosing the right annuity for your future

Thanks to something called the 'Open Market Option', you get to decide which annuity is best for you. The one you choose will depend on your personal goals.

You might choose a 'fixed' annuity – which gives you the same amount of money each year for life. Or maybe you'll choose one that gives you less money to begin with, but that increases over time, to protect you from inflation.

You may also want to have an annuity that looks after your loved ones after you die. Or even one that takes your health into account. You might want an annuity that combines all these options, and more.

There's a lot of choice – which is why we're here to help every step of the way.



We'll help you decide

Our partners at Hargreaves Lansdown have created a handy tool that can help you find the annuity that's right for you.

They've set up a simple comparison site especially for Kingfisher Group employees, which you can visit at

www.kingfisherpensions.com/savingforyourfuture

This will help you shop around – just as you might with your car insurance – and make a decision based on your particular circumstances.

It's important to put in the right information as giving the correct details about your health, habits and even where you live will give you a clear idea of which annuity is best for you.



Make sure you look at other comparison sites too



How much could you save?



When it comes to annuities, it's important you shop around to get the most money. Just take a look at the following examples.

Meet John

John is 65. He's saved £25,000 for his annuity. He wants one that will give him the maximum tax-free cash sum when he retires, and then will pay him an income up front each month, for the rest of his life.

When he looked up suitable options on a comparison site, the highest paying annuity would give him **£1,107** a year, while the lowest, just **£946** a year. That's quite a difference for a pensioner – **£161** a year!

Meet Norma

Norma is also 65 and also has £25,000 for her annuity. She wants the same things as John, but smokes and has high blood pressure. This means that because she's less likely to live as long, she'll get paid more each year as they are likely to pay her for fewer years overall.

The lowest annuity she found would give her **£946** a year, and the highest would give her **£1,326**. If she hadn't shopped around and settled for the first option instead, she would stand to lose **£380** a year.

So, as you can see, it pays to do your research. Make sure you use the comparison site to find out which annuity would be best for you.

These annuity figures were produced by Hargreaves Lansdown's comparison tool during the production of this leaflet. These figures are therefore subject to change and may be different when using the tool today.

Would you like more information?

To find out more, please visit

www.kingfisherpensions.com/savingforyourfuture

call the Kingfisher Pensions Team on **08456 807060**

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