

Prudential Warns Of State Of Ignorance Over Retirement Age Rise



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New research* from Prudential shows that nearly half (47 per cent) of 45 to 49 year-olds and two-fifths (39 per cent) of 50 to 54 year-olds are unaware of the rise in the minimum retirement age from 50 to 55 which comes into effect on 6 April this year. The increase in the minimum retirement age could be a particular blow to people aged 50 to 55 who are planning to retire this year, Prudential warns.

Prudential is urging people who will be affected by the increase in minimum retirement age to speak to financial advisers and pension providers ahead of the 6 April deadline and stresses there is still time to act.

The new minimum [retirement](#) age - first announced by the Government in 2004** - will prevent many people aged between 50 and 55 from claiming private or company [pension](#) benefits and especially taking the tax-free cash element of their [pension fund](#) until they are 55.

For those who had planned to retire at 50, the higher minimum age will mean five years without access to [pension](#) benefits or tax-free cash.

Prudential's research has found that 6 per cent of the UK's 3.9 million adults aged 50 to 54*** - equivalent to more than 230,000 people - said they planned to [retire](#) in 2010.

Karin Brown, Director of Annuities at Prudential, said: "People who want to take their pension benefits and any tax-free cash allowance still have nearly three months to decide what they want to do.

"Prudential strongly urges people approaching retirement to contact a financial adviser or talk to their pension provider about the options available.

"The Government first announced the changes to the minimum retirement age nearly six years ago so there has been plenty of time for the news to sink in. It is worrying that so many are still unaware but there is time to act before rules change."

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Notes to editors:

* Online survey conducted by Research Plus between 3-10 December 2009 among 6,073 UK adults aged 45+.

** HM Revenue & Customs Pension Schemes Newsletter 38.

*** ONS population statistics show 3.9 million UK adults aged between 50 and 55. Prudential research shows 6 per cent of people aged between 50 and 55 said they planned to retire in 2010. 6 per cent of 3.9 million is 234,000.

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