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## **'PRETIEMENT' THE NEW NORM AS HALF OF PENSIONERS PLAN TO WORK PAST RETIREMENT AGE**

- **Sixth consecutive year in which half of planned retirees will consider working past their State Pension age**
- **More than two fifths (43 per cent) say they enjoy working**
- **Around one in 12 (eight per cent) of those hoping to retire in 2018 cannot afford to quit and 47 per cent blame the cost of living**

The onwards march of Pretirement where people scale back on work or slow their retirement plans down rather than giving up entirely - is continuing, according to Prudential's latest annual research<sup>1</sup>.

The study found half (50 per cent) of those retiring this year are considering working past State Pension age. This is the sixth consecutive year where half of people retiring would be happy to keep working if it meant guaranteeing a higher retirement income.

More than a quarter (26 per cent) of those planning to delay their retirement would like to reduce their hours and go part time with their current employer, one in seven (14 per cent) would like to continue full time in their current role. An entrepreneurial fifth (19 per cent) would try to earn a living from a hobby or start their own business.

Prudential's unique annual research – which for the past 11 years has tracked the future financial plans and aspirations of people planning to retire in the year ahead - shows that the *Class of 2018* expect their retirement to last an average of 20 years.

Around one in 12 (eight per cent) of those scheduled to retire in 2018 have postponed their plans because they cannot afford to retire. Nearly half (47 per cent) of those who cannot afford to retire put this down to the cost of day-to-day living which means their retirement income won't be sufficient.

The research also found that the decision to put off retirement isn't always a financial one. Over half (54 per cent) of the *Class of 2018* who are already or are considering working past their State Pension age say it is to keep their mind and body active and healthy. Over two

fifths (43 per cent) admit they simply enjoy working, while just over a quarter (26 per cent) don't like the idea of being at home all the time.

**Stan Russell, a retirement income expert at Prudential, said:** 'The shift to 'pretirement' in recent years shows that many people reaching State Pension age aren't ready to stop working. Reducing hours, earning money from a hobby or changing jobs are all ways to wind down from working life gradually and for many to avoid boredom and maintain an active mind and body.

"However, not everyone has the luxury of choosing their retirement date due to their financial situation not allowing them to give up work and others may be forced to stop working for health reasons. Saving as much as possible as early possible in their career is the best way for people to ensure they are financially well-prepared for a retirement that starts when they wish, or need, it to.

"As people are increasingly treating retirement as a gradual process, regular discussions with a financial adviser can help to make sure that your retirement finances are sufficient to allow you as many options as possible. Taking advice from free impartial guidance sources such as the Pensions Advisory Service or the Governments Pension Wise service can also be useful."

- Ends -

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### **Notes to editors**

<sup>1</sup> Research Plus conducted an independent online survey for Prudential between 29 November and 11 December 2017 among 9,896 non-retired UK adults aged 45+, including 1,000 planning to retire in **2018**.