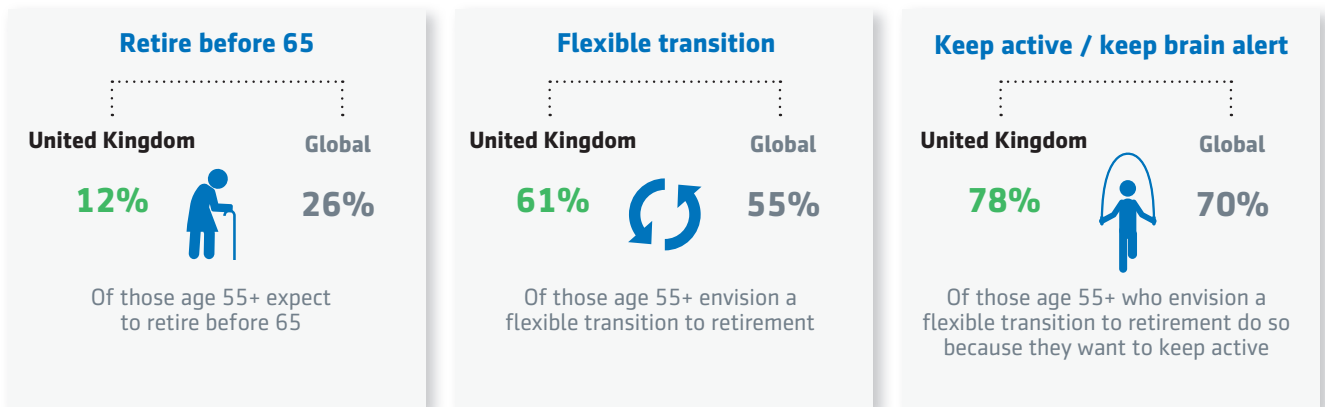


How is flexible retirement viewed in the United Kingdom?

Defined benefit pensions have traditionally played a major role in supplementary pensions but also lead to limited flexibility as to when to retire. Plans to allow a more flexible DB arrangement (“DB light”) were dropped in 2014. However, the abolition of mandatory retirement ages (previously fixed at age 65) proved a major, though controversial, milestone toward flexible retirement. This has been backed with more generous arrangements for deferred social security payments. Benefits can be deferred for up to five years resulting in a higher, actuarially adjusted pension (about 30 percent higher than taking it at age 65). The government has also accelerated increases in the state pensionable age. Retirement age will be equalized between men and women at 65 years in 2018 before rising to 66 in 2020 and 67 by 2028, with a further increase to 68 planned. People will also be offered more flexibility in how they invest and draw down their pension benefits following reforms in April 2015 which scrap compulsory annuitization.

How do workers envision their retirement?



Are employers supporting a flexible retirement?



Key country indicators



This country profile is part of the report “*The New Flexible Retirement*” and contains research findings from the fourth annual Aegon Retirement Readiness Survey.

Sources of the key country indicators included in this country profile:

- Life expectancy at age 60: World Health Organization, Global Health Observatory Data Repository
- Health life expectancy at age 60: The Institute for Health Metrics and Evaluation, Global Burden of Disease Study, 2010
- Percentage of population age 65 plus: World Bank
- Official retirement age (when full entitlements are payable): OECD Pensions at a Glance 2015*
- Effective retirement age (actual age of labor market exit): OECD Society at a Glance 2014*
- Labor market engagement of older people (employment rate): International Labour Organisation, Employment-to-population ratio by sex and age

* where the official and effective retirement age is different for men and women, we have calculated an average

About:

Aegon Center for Longevity and Retirement

The Aegon Center for Longevity and Retirement (ACLR) is a collaboration of experts assembled by Aegon with representation from Europe, the Americas, and Asia. The Center’s mission is to conduct research, educate the public, and inform a global dialogue on trends issues, and opportunities surrounding longevity, population aging, and retirement security. www.aegon.com/thecenter

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