



SHIP RESPONDS TO THE BUDGET ANNOUNCEMENTS

22 June 2010: Andrea Rozario, Director General of SHIP, the equity release trade body, comments on the implications of today's budget for the equity release sector:

"While, the emergency budget did not specifically mention equity release, it did announce a number of measures that have the potential to significantly impact the sector. Chief amongst these are the increase in VAT from 17.5% to 20 and the review of public sector pensions.

"Over 55s in the UK often have a relatively fixed income with spending weighted towards VAT-able products and significant equity in their homes. The changes outlined in the budget mean that they will suffer from VAT increases eating into their income and then their families will be hit by death duties when they receive their inheritance. In addition, those people who have been relying on a comfortable public sector pension when they retire could face a nasty shock and will need to seek additional sources of retirement funding.

"Equity release would seem the logical answer to many of these issues and we believe that the Government changes will lead to more and more people considering equity release as an integral part of their pension planning."

For further information on SHIP please visit: www.ship-ltd.org.

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About SHIP Equity Release:

Safe Home Income Plans (SHIP) is the UK's trade body for equity release product providers. Launched in 1991 to promote safe plans, SHIP is dedicated to the protection of the planholder and the safe growth of the industry. SHIP represents approximately 90% of the providers in the UK.