



SHIP RESPONDS TO THE BUDGET ANNOUNCEMENTS

22 March 2012: Andrea Rozario, Director General of SHIP, the equity release trade body, comments on the implications of yesterday's budget for the equity release sector:

"We believe that the freezing of the age related allowance is an unfair further blow to older people when they are already dealing with the triple whammy of historically low interest rates and annuity rates and depleted pension funds. For everyone in retirement and especially those approaching it, it means that they can expect to receive less than before and may have to consider using other assets – such as their home – to fill this income gap.

"We welcome the Government's move to review the State Pensions Age, bringing it in line with longevity. With people living longer than ever before it is important that retirement planning reflects this – the age at which one generation is able to claim the State Pension will not reflect the needs of future generations. In addition, the single-tier State Pension will help to simplify the system and reduce confusion about the level of support pensions can expect.

"However, it is important that people consider a whole raft of retirement planning options; the State Pension can provide a valuable boost to a retirement income, but it is unlikely to provide a sufficient amount to live off in itself. We urge the Government to do more to encourage people to plan their retirement finances as early as possible, and to work with the private sector to find solutions for funding our ageing population and a coherent communication strategy. By endorsing the solutions offered by the private sector and providing support for areas such as the equity release industry, they will relieve some of the burden on the State to support people in their old age."

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