

22 October 2012

## EUROPEAN UNION GENDER DIRECTIVE -YOUR QUESTIONS ANSWERED

From 21 December 2012, pension providers in the EU will no longer be allowed to take gender into account when working out the retirement income purchased by individuals.

Here are some questions and answers to help you understand how you may be affected.

**Q: Why is this important to me?**

A: When you decide to take your retirement benefits, one of the options is to convert your savings into an annuity, which pays you an income for the rest of your life. The higher the annuity rate, the higher the income. As

**Q: How will this change affect annuity rates for individuals?**

A: From 21 December 2012, insurance companies will no longer be allowed by law to take an individual's gender into account when setting annuity rates. All else being equal, the new "unisex" rates will be better than the equivalent gender-specific rates for women, and worse for men.

**Q: Do I need to take any action because of this change?**

A: Yes. If you are thinking of taking your retirement benefits in the near future, we recommend you talk to a financial adviser as soon as possible to understand your options. You may be charged a fee for any advice given.

**Q: When are annuity rates expected to change?**

A: Companies must comply with this change in the law no later than 21 December 2012. Some may stop offering gender-specific rates before this.

**Q: Will my current annuity be affected?**

A: No. Existing annuities will not be affected.

**Q: Where can I get more information?**

A: We recommend you contact a financial adviser. You can find details of the advisers in your area at [www.unbiased.co.uk](http://www.unbiased.co.uk). You may be charged a fee for any advice given. Information can also be found on the Association of British Insurers website [www.abi.org.uk](http://www.abi.org.uk)

**Q: Where else does the new gender directive apply?**

A: The directive applies to insurance premiums as well as all annuities