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**DWP RESEARCH IS A 'BOOST TO PENSIONS CONFIDENCE', SAYS METLIFE
But savers need increased certainty, MetLife research shows**

Department of Work and Pensions (DWP) research into the benefits of long-term saving is a "welcome boost to confidence in the pensions industry", according to MetLife Europe Limited (MetLife).

But MetLife believes the industry needs to do more to tackle current levels of uncertainty among retirement savers following recent stock market volatility and the likelihood of annuity rates falling.

Its own research* shows that more than two out of five people planning to retire within the next five years have no idea of the income amount they will receive from their company money purchase scheme and a third of personal pension savers are also unable to estimate how much an annuity will pay out.

The retirement and long-term savings provider welcomes the DWP report "*Saving for Retirement: Implications of Pensions Reforms on Financial Incentives to Save for Retirement*" which shows that, given reasonable assumptions about the future, most people can expect to be better off in retirement by saving, with the majority getting back more than double than they save.

Dominic Grinstead, Strategic Development and Marketing Director at MetLife, said: “In the current economic climate it is important to make the case for long-term retirement saving and the DWP report is a welcome boost to confidence in the industry.

“It cannot be said often enough that most people can expect their savings to make them better off in retirement. However the industry and Government needs to do more to ensure that message gets through.

“Current stock market volatility and record low levels of interest rates are increasing uncertainty for savers. For people in the U.K., we would urge them to explore alternatives to annuities which enable them to remain invested in equities while also having the security of guarantees for their capital or income.”

MetLife research shows even those who are able to estimate how much income they will receive can be wildly over-optimistic with nearly one in five adults retiring in the next five years expecting annuities to provide an annual income of more than £9,000 from a £100,000 pension fund.

Around 18 per cent of men aged 60 to 64 and women aged 55 to 59 believe their annual income from an annuity will be £9,000 or more with three per cent expecting more than £15,000. Currently the best income on a £100,000 annuity for a 65-year-old man is around £7,309 and £6,264 for a 60-year-old woman.

MetLife’s Retirement Portfolio pioneers unit-linked guarantees by including an optional capital guarantee for those saving for retirement, deferred income guarantee for clients looking to delay taking an income, and an income guarantee for those seeking an immediate income. All the guarantees offer 100 per cent performance lock-ins every three years. For more information advisers should go to www.metlife.co.uk/rp.

The Retirement Portfolio provides fully flexible retirement benefits offering the ability to consolidate, take full drawdown, partial drawdown and phased drawdown. Clients can choose lump sum death benefits if required and auto-fund rebalancing on selected funds.

Features include accepting protected rights, transfers, regular and single contributions from employers and employees, and the ability to convert into a Self-Invested Personal Pension at any time.

The minimum initial investment is £50,000 and clients have access to a range of MetLife Best of Breed and Index Funds, Managed and Index Portfolios chosen with the assistance of leading independent investment research company, Morningstar Associates Europe Limited.

MetLife is an affiliate of US-based MetLife, Inc., a leading global insurance and financial services organisation which counts the U.S.'s largest life insurer among its subsidiaries. The organisation is renowned for its stability, financial strength and security, and had over \$501.7 billion (around £360 billion) of total assets at 31st December 2008.

Notes to Editors

* Based on an independent online survey conducted by Research Plus. 1,001 UK adults aged 55 to 64 (males 60 to 64 and females 55 to 59) were surveyed online between September 29th and October 2nd 2008

** <http://www.h-l.co.uk/pensions/Annuity-rate-best-buy-table>

About MetLife Europe Limited

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MetLife, Inc., through its affiliates, serves approximately 70 million customers in the Americas, Asia Pacific and Europe. Affiliated companies, outside of the U.K., include the number one life insurer in the United States, with over 140 years of experience and relationships with over 90 of the top one hundred FORTUNE 500® companies. The MetLife companies offer life insurance, annuities, automobile and home insurance, retail banking

and other financial services to individuals, as well as group insurance, reinsurance and retirement and savings products and services to corporations and other institutions.

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