

Your health could be the key to a larger pension

Maximise your pension by sharing your health story

Many UK adults approaching retirement may be missing out on thousands of pounds due to misunderstandings about how their health affects their pension options. Research shows that two in five adults over 50 are unaware that common medical conditions could significantly increase their retirement income^[1]. Despite the potential for higher guaranteed income through enhanced annuities, 40% of those over 50 do not understand how health disclosures affect their final rate.

This confusion often centres on everyday health issues. For example, over 40% of people in this age group are unsure whether conditions such as high blood pressure, type 2 diabetes or smoking habits affect their annuity income. Surprisingly, only 17% believe smoking could increase their income, and even fewer associate high blood pressure (13%) or type 2 diabetes (12%) with higher payouts.

CLOSING THE GAP ON ENHANCED ANNUITIES

Contrary to common assumptions, poor health or lifestyle choices can work in your favour when it comes to annuities. These financial products provide guaranteed lifetime income, and providers use your medical history to calculate payouts. If a health condition or lifestyle factor reduces your life expectancy, you may receive a higher annual income as compensation.

Being fully transparent about your medical history is the most effective way to maximise your retirement income. Omitting seemingly minor health details could cost you significantly over time. Although 57% of UK adults report being honest with professionals about their health, only 48% of annuities purchased in 2024/25 were enhanced, highlighting a gap between eligibility and uptake.

SEEKING THE RIGHT SUPPORT AND GUIDANCE

Reluctance to discuss health in a financial context often prevents people from securing the most competitive rates. Many feel uncomfortable sharing sensitive medical data by phone with advisers. To address this, some providers now offer online health declarations, which provide a private and

straightforward way to ensure all details are accurately recorded.

Enhanced annuities are tailored to your circumstances, ensuring your retirement income aligns with your health and lifestyle. Total transparency ensures you receive the best financial arrangement for your situation.

TAKE CONTROL OF YOUR RETIREMENT INCOME

Understanding how your health affects your pension options is crucial. By being open about your medical history and seeking professional advice, you could secure a higher guaranteed income and make the most of your retirement. Don't let misunderstandings or discomfort hold you back; explore enhanced annuities to ensure your financial future meets your individual needs. ■

WANT TO DISCOVER WHETHER YOU COULD INCREASE THE INCOME YOU RECEIVE FOR THE REST OF YOUR LIFE?

If you are approaching retirement and want to understand how your medical history could affect your guaranteed income, speak to us. We'll explore your options and help you secure the maximum retirement income you deserve.

Source data:

[1] Research conducted by Opinium with a nationally representative sample of 2,000 UK adults aged 50 and over, carried out between 27 August and 1 September 2025.

THIS ARTICLE DOES NOT CONSTITUTE TAX, LEGAL OR FINANCIAL ADVICE AND SHOULD NOT BE RELIED UPON AS SUCH. FOR GUIDANCE, SEEK PROFESSIONAL ADVICE. A PENSION IS A LONG-TERM INVESTMENT NOT NORMALLY ACCESSIBLE UNTIL AGE 55 (57 FROM APRIL 2028, UNLESS THE PLAN HAS A PROTECTED PENSION AGE).