

Take our Annuity Readiness Test

It's always worth checking how ready you are to make confident retirement income decisions.

- Read each statement and decide if it's true or false.
- Score 1 point for every TRUE statement.

	True or false	Score
1	Annuities pay a secure guaranteed income	
2	Annuity rates (the level of income paid) have reached their highest level in 16 years	
3	You can move from drawdown to buying an annuity at any age	
4	Annuities currently pay about 6%; average drawdown rates are around 4%*	
5	You can use all or some of your pension savings to buy an annuity	
6	Annuities can be bought using pension or other savings, such as a bank account or ISA	
7	You can shop around for an annuity, like you do your car or house insurance	
8	Shopping around usually provides more income than your existing provider's offer	
9	Income can be paid for a set term, e.g. 5 years, or for life	
10	Enhanced income is available to those:	
11	• Living in deprived areas	
12	• Who are overweight	
13	• Who have specific disabilities and/or illnesses	
14	People with common health issues such as diabetes or heart disease may qualify for enhanced annuities	
15	Income could continue to be paid after your death	
16	A lump sum could be paid after your death	
17	In 2023 the most popular annuity paid level income for life. These buyers are finding their spending power is falling with inflation	
18	Combining the State Pension and an inflation-protected annuity is a sensible way to cover essential costs for life	
19	Widows of certain military awards can receive an enhanced annuity	
20	In some cases, personal injury annuities are tax-exempt	
	Your total score	

If you scored 20/20, you're well on your way to annuity confidence!

If some answers surprised you, consider:

- Visiting moneyhelper.org.uk/en/pensions-and-retirement — a free, impartial service showing how much annuity income your savings could buy.
- Or see [Defaqto Star Rated Pension and Investment products](#).

