Growing together, with integrity and respect

# Just Pension Annuity / Secure Lifetime Income – Strategy Review – August 2026

This document provides a review of the Just Pension Annuity and Secure Lifetime Income proposition. It is not a fund review in the normal sense because this is not an investment fund. It is a guaranteed income solution.

The review considers how the product works, where it may fit within retirement planning, the opportunity from current annuity rates, the impact of underwriting, the trade-offs around guarantees and death benefits, and the risks of complexity, inflation and loss of flexibility.

## Strategy Overview

The core idea is simple.

A client uses part of their pension to buy a guaranteed income for life.

Just describes its Pension Annuity as an income guaranteed for as long as the client lives, unaffected by future interest rate changes or stock market values. It also offers options that can be selected at outset to protect value and provide for loved ones after death.

There are two related routes to consider:

- **Just Pension Annuity** – an off-platform guaranteed income for life.
- **Secure Lifetime Income** – an on-platform trustee investment plan held within a trust-based personal pension alongside drawdown assets.

In simple terms:

*The annuity gives certainty.*
*Drawdown gives flexibility.*
*Secure Lifetime Income tries to combine guaranteed income with the drawdown wrapper.*

That is the attraction.

It is also where the complexity starts.

## At a Glance

| Area | Detail |
|---|---|
| **Provider** | Just |
| **Product type** | Pension annuity / guaranteed income for life |
| **Main purpose** | Secure income for life |
| **Key risk covered** | Longevity risk |
| **Market risk** | Income not affected by stock market volatility |
| **Underwriting** | Based on personal, lifestyle and medical information |
| **Options** | Guarantee period, dependant's pension, value protection, escalation, payment frequency |
| **Secure Lifetime Income platforms** | Currently 7IM, Fundment and Wealthtime |
| **Secure Lifetime Income age range** | 55 to 90 at purchase |
| **Secure Lifetime Income premium range** | £10,000 to £2.5m |
| **Typical allocation guidance** | Just suggests advisers usually start with 15%–25% |
| **Main concern** | Complexity and reduced flexibility |

Just states that Secure Lifetime Income is available for clients aged 55 to 90, resident in the UK, using funds from a UK registered pension scheme, with investment limits from £10,000 to £2.5m. It is currently available on 7IM, Fundment and Wealthtime, and Just says advisers usually start with an allocation of 15% to 25%.

## How It Works

A pension annuity converts pension savings into a secure income for life.

The client gives up some or all of the pension capital in exchange for a guaranteed income.

The income can be:

- Level
- Escalating by a fixed percentage
- Linked to inflation
- Single life
- Joint life
- With or without a guarantee period
- With or without value protection
- Paid monthly, quarterly, half-yearly or yearly
- Paid in advance or arrears

Just's key features document explains that the client can have income that stays the same for life or choose escalation, including fixed percentage increases or inflation-linked increases. It also explains that payment frequency can be monthly, quarterly, half-yearly or yearly, and paid either in advance or arrears.

The important point is that these choices are made at outset.

Once the 30-day cancellation period has passed, the options cannot usually be changed and the annuity cannot be cashed in.

In simple terms:

*An annuity can remove uncertainty, but it also removes flexibility.*

## Underwriting

This is one of the strengths of Just's proposition.

The income is not just based on age and pension fund size.

Just uses personal, lifestyle and medical information to calculate a personalised income rate. This can include age, marital status, postcode, BMI, smoking history, alcohol intake and medical conditions.

This matters because two clients with the same pension pot and age may receive different rates.

Just's underwriting material states that clients do not need to be "ill" to improve the rate. Even height, weight, alcohol intake, marital status and where someone lives can make a difference.

As an example, Just's average GIfL rates page shows the following illustrative rates for an individual with a £100,000 fund, paid monthly in advance, no dependant's pension, no escalation, 10-year guarantee period and no value protection:

| Age | Healthy | Respiratory | Parkinson's disease |
|---|---|---|---|
| 65 | 6.88% | 7.69% | 9.48% |
| 70 | 7.21% | 8.48% | 10.87% |
| 75 | 8.54% | 9.83% | 12.79% |

These examples are based on Just rates from March 2026 and are illustrative only.

In simple terms:

*The less long the insurer expects to pay, the higher the income offered.*

That is not a criticism.

That is how longevity pooling works.

## The Appeal

There are clear positives.

### 1. Guaranteed Income for Life

This is the main benefit.

The client cannot outlive this income.

For some clients, that is incredibly valuable.

It can reduce anxiety.

It can cover essential spending.

It can remove the need to worry about markets falling at the wrong time.

### 2. No Sequence Risk on That Income

Just says Secure Lifetime Income provides a fixed guaranteed income that is unaffected by market volatility and can reduce sequence of returns risk and longevity risk within a decumulation portfolio.

That is important.

In drawdown, the danger is taking withdrawals when markets are down.

With an annuity, the income continues.

### 3. Better Planning Certainty

Guaranteed income can make cashflow planning cleaner.

It can create an income floor.

It can help define how much of the remaining portfolio is required for discretionary spending, legacy or growth.

### 4. Potentially Strong Rates

Current annuity rates can look attractive, especially for older clients or those with health or lifestyle factors that improve the personalised rate.

### 5. Blended Retirement Planning

This may be the most sensible use.

A client does not have to choose all annuity or all drawdown.

A partial annuity can cover some essential expenditure, while the remaining portfolio stays invested.

That can work well.

## The Trade-Off

This is the key section.

The headline rate can look attractive.

But the headline rate is not the whole story.

If the client wants:

- A dependant’s pension
- A long guarantee period
- Value protection
- Escalation
- Inflation-linking

- Tax-free cash
- Adviser charge facilitation

then the starting income will usually reduce.

Just's own material confirms this. A dependant's income reduces the guaranteed income received each year. A guarantee period reduces income, with the longer guarantee period reducing income further. Value protection also has a cost, and the greater the protected amount, the lower the income. Escalation gives future increases but reduces starting income.

This is where the adviser needs to slow the conversation down.

The client may first hear:

*"You can get over 7% guaranteed."*

But the real question is:

*"What does the client actually want the annuity to do?"*

Using the figures provided, a 65-year-old with £100,000 might see a no-guarantee income of around £7,569. But with a 30-year guarantee, that falls to around £5,898.

That is a significant reduction.

And if escalation is added, the starting income would fall again.

This is not wrong.

It is the price of protection.

But it must be made clear.

## Level Income vs Natural Income

This is where the comparison becomes important.

A level annuity may provide a higher starting income.

But if it has no escalation, the income does not increase.

Inflation can reduce the real spending power over time. Just's own key features document flags this risk.

By contrast, an investment portfolio taking natural income may start lower, but has the potential to grow over time.

For example:

A client with £100,000 drawing natural income of 5% would receive £5,000 a year.

That income is based on the units or shares held.

If dividends rise over time, the natural income may rise.

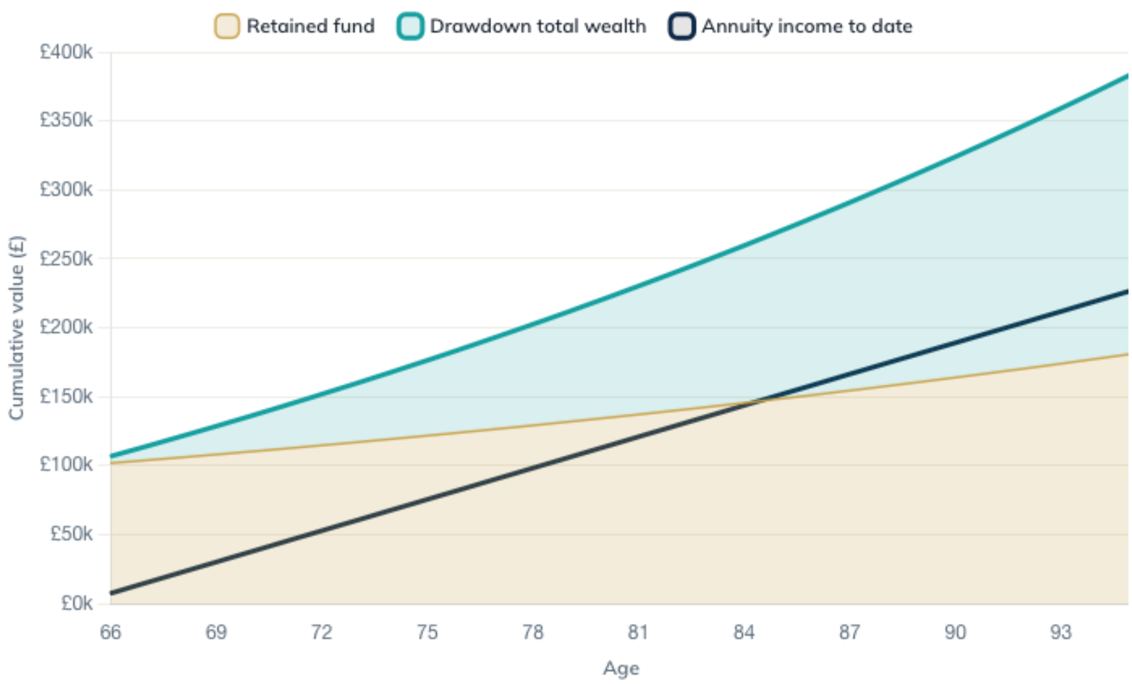
If the capital grows at 2% a year, there is potential for both income and capital to grow. As illustrated below:

| DRAWDOWN YR 1 | ANNUITY YR 1 | DRAWDOWN TOTAL | ANNUITY TOTAL |
| --- | --- | --- | --- |
| **£5,000** | **£7,569** | **£383,977** | **£227,070** |
| natural income | guaranteed income | income drawn + fund | income only, no fund |

**Total wealth: income drawn + retained fund vs annuity income**

Income / year | **Total wealth**

Drawdown stacks income taken (teal) on top of the retained fund (gold). The navy line is total annuity income received. Where navy rises above the stack, the annuity has repaid the capital surrendered.




**No breakeven within the projection.** Even though the annuity pays more income every year, by age 95 the drawdown is still ahead by £156,907 on total wealth — the retained fund of £181,136 more than offsets the annuity's income advantage.

This is not guaranteed.

Dividends can be cut.

Markets can fall.

But it is a very different proposition from a level annuity.

In simple terms:

*An annuity gives certainty of income.*

*A natural income portfolio gives flexibility and growth potential.*

The annuity is not automatically better because the starting rate is higher.

The investment portfolio is not automatically better because it has growth potential.

The right answer depends on what the client needs.

## Secure Lifetime Income Within Drawdown

Secure Lifetime Income is interesting because it sits inside a trust-based personal pension.

Just describes it as a trustee investment plan within a trust-based UK registered personal pension scheme. Payments are paid gross into the pension cash account and then treated like other pension assets, depending on the client's tax status.

This means the adviser can potentially build a retirement portfolio with:

- Drawdown assets
- Cash
- Investments
- Secure Lifetime Income
- Guaranteed income paid into the pension account

That can be useful.

It may allow the adviser to reduce withdrawal pressure from the invested portfolio.

It may also allow the client to retain a sense of "one retirement account".

However, this is also where the proposition becomes more complex.

Clients need to understand:

- Which part is guaranteed
- Which part remains invested
- What happens on death
- Whether value protection applies
- Whether income is level or escalating
- Whether charges apply at pension/platform level
- Whether the guaranteed income is paid to them or retained/reinvested

The structure may be useful.

But it is not simple.

## Pension IHT Changes from April 2027

The IHT angle is relevant.

Just's Pension Annuity key features document states that, from 6 April 2027, if the relevant legislation is introduced, annuity income due for the remainder of a guarantee period after death, or remaining value protection lump sums paid after death, will be included in the estate for IHT purposes. It also states that, based on current proposals, this will not apply if the client has chosen a dependant's income.

Just has also increased the maximum premium for Secure Lifetime Income from £1m to £2.5m, stating that this helps advisers respond to growing demand for larger retirement and estate planning cases.

This does not mean the product is an IHT solution.

It means the advice process needs to consider:

- Pension death benefits
- IHT from April 2027
- The client's spouse or dependant
- The need for guarantees or value protection
- Whether the client values income more than legacy
- Whether drawdown remains more flexible for beneficiaries

In simple terms:

*The IHT changes make guaranteed income more relevant, but they do not make annuities automatically right.*

## Where It Works Well

This type of solution may work well where the client:

- Wants guaranteed income
- Is worried about running out of money
- Has limited capacity for income volatility
- Wants essential spending covered
- Is uncomfortable relying fully on markets
- Has health or lifestyle factors that improve the rate
- Has no strong desire to leave the full pension pot to beneficiaries
- Wants part of the portfolio protected from sequence risk
- Is suitable for a blended annuity/drawdown approach
- Values peace of mind more than flexibility

This can be especially relevant for retirement planning where the objective is to cover core expenditure.

For example:

State Pension + Defined Benefit income + partial annuity could cover essential spending.

The remaining drawdown portfolio could then fund discretionary spending, gifts, legacy and inflation protection.

That is a sensible planning discussion.

## Where It May Not Work Well

This type of solution may be less suitable where the client:

- Wants maximum flexibility
- Wants strong legacy planning
- Has significant beneficiary objectives
- Wants income to grow naturally over time
- Is comfortable with investment volatility
- Has sufficient secure income already
- Wants full control over capital
- May need access to capital later
- Is concerned about inflation
- Does not understand the product options

It may also be less attractive where adding the necessary protections materially reduces the starting income.

That is the heart of the concern.

The headline rate looks strong.

But once the client adds guarantees, spouse's pension, value protection or escalation, the income can look much less compelling.

## Risks and Considerations

### 1. Irreversibility

Once the cancellation period has ended, the client cannot usually change the payment options or cash in the annuity.

This is the main risk.

### 2. Complexity

The product options are not easy.

Guarantee periods, value protection, escalation, dependant's income, overlap, payment timing, tax and platform structure all need careful explanation.

### 3. Inflation Risk

A level annuity can lose real spending power over time.

Escalation can help, but it reduces starting income.

### 4. Lower Income When Benefits Are Added

The headline income can fall materially when death benefits, guarantees or escalation are added.

This needs to be shown clearly.

### 5. Legacy Risk

If no death benefits are selected, income stops on death and no further payments are made.

### 6. Longevity Cross-Subsidy

Annuities work by pooling longevity risk.

This benefits those who live longer.

It may feel poor value for those who die early unless protection is added.

## 7. Rate Timing

Annuity rates depend on market conditions at the time of purchase.

Buying today locks in today's terms.

That can be positive or negative.

## 8. Adviser Comparison Risk

The client should not simply be shown one provider's rate.

Just's own key features document states that shopping around may improve the income received.

## 9. Underwriting Accuracy

Personal, lifestyle and medical information must be accurate. Just states that incorrect information may lead to income being reduced, overpayments recovered, or in some circumstances the policy being cancelled.

## 10. Product Framing Risk

The biggest risk may be how it is sold or explained.
If the focus is only on "higher income", the client may not understand what they are giving up.

## Opportunities

### 1. Income Floor

A partial annuity can help create a reliable income floor.

### 2. Reduced Sequence Risk

Guaranteed income can reduce the need to sell investments during market falls.

### 3. Behavioural Support

Some clients sleep better knowing part of their income is guaranteed.

### 4. Better Rates for Some Clients

Underwriting can materially improve the income for clients with certain health or lifestyle factors.

### 5. Blended Drawdown

Secure Lifetime Income may allow guaranteed income and drawdown to sit together in one pension structure.

### 6. Client Segmentation

This could be useful within a Centralised Retirement Proposition, particularly where client needs differ between security, flexibility, legacy and growth.

### 7. Post-2027 Planning

Pension IHT changes may make some clients reassess whether keeping all pension wealth in drawdown remains the right approach.

### Comparison: Annuity vs Natural Income / Drawdown

| Area | Just Pension Annuity / Secure Lifetime Income | Natural Income / Drawdown |
| --- | --- | --- |
| **Income certainty** | High | Variable |
| **Longevity protection** | Strong | Needs modelling |
| **Sequence risk** | Removed on annuitised slice | Remains |
| **Flexibility** | Low | High |
| **Capital access** | Generally lost on annuitised slice | Retained |
| **Legacy** | Requires dependant's income, guarantee or value protection | Usually stronger |
| **Inflation protection** | Available, but lower starting income | Possible through dividend growth/capital growth |
| **Complexity** | High at outset | High ongoing |
| **Behavioural comfort** | Strong for anxious clients | Depends on client |
| **Review need** | Lower for guaranteed slice, but still needed overall | High |
| **Main risk** | Irreversible poor-fit decision | Sustainability and market risk |

In simple terms:

*Annuities solve the problem of not knowing how long you will live.*
*Drawdown solves the problem of wanting flexibility.*

Most retirement planning is about finding the right balance between the two.

### Role Within a Centralised Retirement Proposition

The product should not be viewed as a fund replacement.

It should be viewed as a retirement income planning tool.

A sensible CRP framework might use it as one of the following:

#### Essential Expenditure Layer

Use guaranteed income to cover basic spending needs.

#### Partial Longevity Hedge

Annuitise a portion of the portfolio to reduce the risk of running out of money.

### Behavioural Risk Tool

Use for clients who are anxious about markets and need certainty.

### Health-Adjusted Income Option

Use where underwriting provides a materially better rate.

### Later-Life Planning Option

Consider annuitisation later in retirement as the client ages and rates potentially improve.

## Platform-Based Income Component

Use Secure Lifetime Income where the adviser wants the guaranteed income to sit alongside drawdown assets.

The key point is this:

*It should be planned, not sold.*

## Due Diligence Questions

Before recommending or using this within a panel, advisers should ask:

1. What client need is this solving?
2. Is the income required for essential spending or discretionary spending?
3. Has drawdown sustainability been modelled properly?
4. Has a natural income option been considered?
5. Has a partial annuity been considered rather than full annuitisation?
6. Has whole-of-market annuity shopping been completed?
7. Are personal, lifestyle and medical details complete?
8. Is escalation needed?
9. Is a spouse's or dependant's income needed?
10. Is value protection or a guarantee period needed?
11. What is the reduction in income for each option?
12. What happens on early death?
13. What happens if inflation remains high?
14. How does this interact with pension IHT changes from April 2027?
15. Can the client explain back what they are giving up?

## Important Distinction: A Pension Annuity vs Secure Lifetime Income

It is important to separate a traditional pension annuity from Secure Lifetime Income.

A traditional pension annuity is purely an income strategy.

The client exchanges pension capital for a guaranteed taxable income, which is paid directly to them. Tax is deducted at source by the annuity provider. Additional features can be built into the annuity, such as a guarantee period, dependant's income, value protection or escalation, but each feature has a cost and will usually reduce the starting income.

This is where the headline income rate needs careful explanation.

A client may initially be attracted by the higher-level income available from a single-life annuity with no guarantee, no escalation and no dependant's pension. However, if the client wants anything to pass to a beneficiary, or wants the income to increase over time, the starting income falls.

That is not a flaw in the product.

It is simply the price of adding protection.

Secure Lifetime Income is different.

It is better viewed as a guaranteed income asset within drawdown, designed to sit alongside invested assets. It is not simply a traditional annuity held in a different wrapper.

The income is paid gross into the pension environment, which means it can be used in different ways. It can support withdrawals, sit in cash, or be reinvested as part of the wider retirement income plan.

This means SLI can potentially complement a number of drawdown approaches, including:

- Natural income
- Bucketing
- Unit encashment
- Smoothing
- Cashflow-led withdrawals
- A blended guaranteed income and investment strategy

This is an important planning distinction.

With a traditional annuity, the client is converting capital into taxable income.

With SLI, the adviser is adding a guaranteed income asset into the drawdown portfolio.

One of the more interesting uses of SLI is where the guaranteed income is reinvested within the pension. Because the income is paid gross, the client does not necessarily have to take it immediately. This may help preserve flexibility, support portfolio resilience and potentially allow growth assets to remain invested.

That makes SLI more flexible than a traditional annuity.

However, more flexible does not mean simple.

## It Remains Complicated

Even with this distinction, the proposition remains complicated.

A traditional annuity is relatively easy to understand at headline level: the client gives up capital in exchange for a guaranteed taxable income for life.

Secure Lifetime Income is more flexible because it sits inside drawdown and the income is paid gross into the pension environment. But that flexibility adds layers of advice complexity.

The adviser still needs to consider:

- What problem the guaranteed income is solving
- Whether income is needed now or could be reinvested
- How SLI interacts with the wider drawdown portfolio
- Whether capital protection is needed
- Whether the client is prioritising income, flexibility or legacy
- The client's tax position
- Pension IHT changes from April 2027
- Platform availability
- Cashflow modelling
- Risk profiling
- Capacity for loss
- Whether the client understands what is guaranteed and what is not

So while SLI may offer more planning flexibility than a traditional annuity, it should not be presented as simple.

In many ways, it requires more explanation, not less.

The key adviser question remains:

*Does adding a guaranteed income asset improve the client's retirement plan enough to justify the added complexity?*

## Is 5% Income a Fair Assumption?

One common criticism of a natural income approach is whether a 5% income assumption is realistic.

This is a fair challenge.

The yield available from any investment depends on the price of the asset and the income it distributes. At present, yields across some income assets are relatively strong, partly because certain asset classes and investment trusts are trading at lower valuations or wider discounts.

It is important to understand how this works.

When an investor buys units or shares, the income they receive is based on the number of units or shares they hold and the income paid by those holdings.

If the value of the asset later rises and the headline yield falls, this does not necessarily reduce the income received by the original investor. The yield available to new investors may be lower, but the original investor may still receive the income linked to the units or shares they purchased, assuming the income payment is maintained.

This is why buying income assets at attractive valuations can be powerful.

However, the income is not guaranteed.

Dividends and distributions can be reduced, suspended or changed. Capital values can fall. Investment trusts can trade at wider discounts. So any income assumption needs to be reviewed regularly and not treated as certain.

We have modelled two scenarios.

**Scenario 1** uses a sliding scale that blends a lower-income strategy, a mid-income strategy and a higher-income strategy. Depending on the client's position, the income rate can range between **3.70% and 6.05%**. The Income and Stability Yield is currently paying **5.16%**.

**Scenario 2** uses a basket of investment trusts. This currently produces an income range between **6.78% and 7.61%**.

The right income level will depend on the client, the portfolio, the tax position, the need for flexibility and the level of risk they are willing and able to accept.

However, in the current environment, we believe a 5% natural income assumption is fair, provided it is built carefully, diversified properly and reviewed regularly.

The key is not simply to chase the highest yield.

The key is to build an income strategy where the yield is supported by the underlying assets, the income is diversified, and the risks are understood.

## Money Wise UK View

There is a place for annuities and guaranteed income.

A guaranteed income for life can be extremely valuable for the right client.

It can remove longevity risk.

It can reduce sequence risk.

It can provide peace of mind.

It can make retirement planning clearer.

And with current rates, the headline income can look attractive.

Just's underwriting process is also a genuine positive. It recognises that clients are different and that personal, lifestyle and medical factors can improve the rate.

So this should not be dismissed.

However, the distinction between a traditional pension annuity and Secure Lifetime Income needs to be made clearly.

A traditional annuity is primarily an income product. The client gives up pension capital in return for taxable income paid directly to them. Additional features can be added, but they come at a cost and usually reduce the starting income.

Secure Lifetime Income is different. It is better viewed as a guaranteed income asset within drawdown. The income is paid gross into the pension environment, meaning it can support withdrawals, sit alongside invested assets, or be reinvested as part of the wider retirement plan.

That makes SLI more flexible than a traditional annuity.

But it also remains complicated.

This is where the adviser needs to be careful.

The headline income rate is only part of the story.

If the client wants guarantees, value protection, dependant's pension or escalation through a traditional annuity, the starting income falls.

Using the example provided, £100,000 for a 65-year-old might produce around £7,569 with no guarantee, but around £5,898 with a 30-year guarantee. Add escalation and the starting income would fall further.

That changes the conversation.

At that point, we should not simply compare the annuity with doing nothing.

We should compare it with a realistic drawdown or natural income strategy, and also consider whether SLI improves that drawdown strategy.

A 5% natural income assumption is not unreasonable in the current environment, provided it is built carefully, diversified properly and reviewed regularly.

But SLI may have a role alongside that approach, particularly where the adviser wants to add a guaranteed income component, reduce sequence risk, support cashflow planning, or reinvest guaranteed income within the pension.

So the comparison is not:

*Guaranteed income versus no income.*

The better comparison is:

*Guaranteed income certainty versus investment flexibility, growth potential and legacy planning.*

And for SLI specifically:

*Does adding a guaranteed income asset improve the overall drawdown plan?*

This is where balance matters.

The annuity gives certainty.

The investment portfolio gives flexibility and potential growth.

SLI sits somewhere between the two because it can provide guaranteed income inside a drawdown framework.

For some clients, this will be exactly what they need.

For others, it may add complexity without enough additional value.

A balanced conclusion:

- Strong solution for guaranteed income
- Useful for managing longevity and sequence risk
- Traditional annuity and SLI should not be treated as the same thing
- SLI may complement drawdown rather than replace it
- Gross income within the pension gives SLI more planning flexibility
- Reinvesting the income may help preserve portfolio flexibility
- Potentially useful alongside natural income, bucketing or unit-encashment strategies
- But the product remains complex
- Death benefits, protection and escalation need careful explanation
- A 5% natural income strategy remains a fair comparator in the current environment
- Suitability depends heavily on the client's income need, legacy objectives and attitude to flexibility

In simple terms:

*Just's proposition is a useful retirement planning tool, but it should be positioned carefully.*

A traditional annuity is about turning pension capital into taxable income.

Secure Lifetime Income is about adding a guaranteed income asset into drawdown.

That distinction matters.

Used well, SLI could support a blended retirement income plan.

Used poorly, it could add complexity and give the impression that guaranteed income is automatically better than a well-built drawdown or natural income strategy.

The right use is likely to be partial, planned and clearly explained.

## Disclaimer

This review is for information and retirement income research purposes only. It does not constitute financial advice, a personal recommendation or a recommendation to buy, sell or hold any pension, annuity, investment, platform product or financial product.

Annuities and guaranteed income products can be complex and may be irreversible once set up. Income levels, death benefits, escalation, tax treatment and suitability depend on individual circumstances. Tax rules may change.

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