

How much income will you need in retirement?



Planning for your retirement

Planning for retirement works best when you start early, automate as much as possible, and regularly adjust your plan as life changes. Here are practical strategies that make a big difference over time:



START WITH A RETIREMENT TARGET



ESTIMATE:

When you want to retire



WHEN YOU WANT TO RETIRE

Decide your ideal retirement age



HOW MUCH YEARLY INCOME YOU'LL NEED

Calculate the annual income you'll need to live comfortably



EXPECTED LIFESTYLE COSTS (HOUSING, TRAVEL, HEALTHCARE, HOBBIES)

Include all lifestyle expenses for the retirement you envision



A COMMON STARTING GUIDELINE



AIM FOR 70-80%

of your pre-retirement income annually

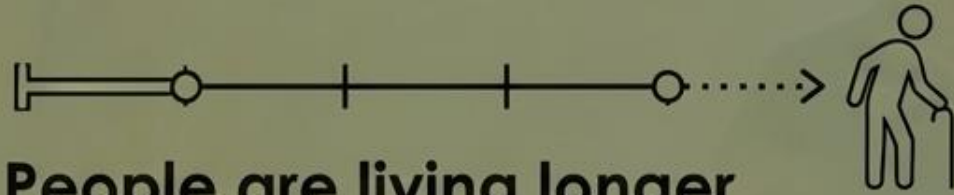


SAVE 15-20%

of income if you start in your 20s or 30s



Why retirement planning matters



People are living longer

- in the UK, a 65-year-old today could spend around 20 years or more in retirement.



Inflation reduces spending power

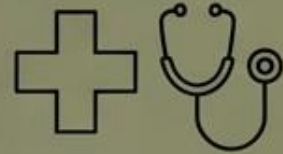
- for example, if inflation averages 2-3% a year, the cost of living can almost double over 25 years.



State pensions may not be enough



- The full UK State Pension is currently around £241 per week, which may not be enough on its own for a minimum retirement lifestyle.



Healthcare costs can rise later in life



- especially for long-term care, home support, or medical needs not fully covered.

One person Household	<u>Minimum</u> 13,400 a year	<u>Moderate</u> 31,700 a year	<u>Comfortable</u> 43,900 a year
What standard of living could you have?	Covers all your essentials, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
 House	DIY £200 a year to maintain condition of your property.	£500 a year to maintain condition of your property, £300 contingency.	£600 a year to maintain condition of your property, £300 contingency.
 Food	Around £55 a week on groceries, £30 a month on food out of the home, £12 per month on takeaways.	Around £56 a week on groceries, £32 a week on food out of the home, £11 a week on takeaways, £106 a month to take others out for a monthly meal.	Around £75 a week on food, £42 a week on food out of the home, £21 a week on takeaways, £106 a month to take others out for a monthly meal.
 Transport	No car, free bus pass, £30 per month for two taxi trips, £180 per year to cover 3 rail journeys.	3-year-old small car, replaced every 7 years, £22 a month on taxis, £104 per year on rail fares.	3-year-old small car, replaced every 5 years, £22 a month on taxis, £208 per year on rail fares.
 Holiday & Leisure	A week long UK holiday. TV license and broadband plus a streaming service with ads. £20 per week for activities.	A fortnight 3* all-inclusive holiday in the Med and a long weekend off peak break in the UK. TV license and broadband plus two streaming services. £43 per week for activities.	A fortnight 4* holiday in the Med with around £100 per person spending money and 3 long weekend breaks in the UK with £400 spending money per break. Extensive bundled broadband, streaming and TV entertainment subscription. £54 a week for activities.
 Clothing & Personal	Up to £450 for clothing and footwear.	Up to £1,548 for clothing and footwear.	Up to £1,548 for clothing and footwear.
 Helping others	£20 for each birthday and Xmas present.	£30 for each birthday and Xmas present, £200 a year charity donation, £1,000 for supporting family members e.g. paying for grandchildren activities.	£50 for each birthday and Xmas present, £300 per year charity donation, £1,000 family support.

The Facts & Figures

Most people (around **70%**) retire as part of a two-person household, allowing them to share living costs and reduce expenses.

For many people their private and State Pension (full State Pension for 2026/27 is **£241.30** a week, **£12,547.60** per year) and other savings could go a long way towards paying these outgoings.



Retiring as part of a two-person household can help reduce living costs.



RETIREMENT AGE

- You can usually take your private pension from age **55** (rising to 57 from 2028).
- State Pension age is **66** now, rising to 67 between 2026–2028.
- Check your exact State Pension age at [GOV.UK](https://gov.uk).



MISSED YEARS? YOU CAN CATCH UP

You may be able to fill gaps in your National Insurance record to boost your State Pension.

Use HMRC's [Check your State Pension service](#) to see if buying extra years could increase your entitlement.



Visit: [GOV.UK/STATE-PENSION](https://gov.uk/state-pension)



INHERITANCE & EARLY RETIREMENT

Inheritance can help bridge the gap to retire earlier by:

- Building a pension pot
- Clearing debt
- Covering living costs

Used wisely, it can create more freedom and reduce the need to draw from pensions too early.



This means, two people in receipt of the full State Pension will already have enough to cover the **Minimum level costs**.



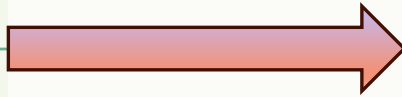
Plan early, review regularly, and make the most of your options for a more comfortable future.

What Can I Do Now to Achieve a Moderate Retirement?



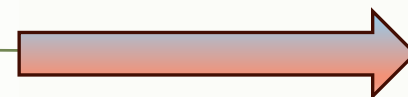
1

Savings Scheme - Put part of bonuses or salary increases directly into pension savings before lifestyle spending rises.



2

Reduce unnecessary expenses - Lowering regular costs can make a moderate retirement target easier to achieve.



3

LOOK AFTER YOUR PENSIONS.
- Regularly review pension statements, keep contact details in pension providers updated, monitor fees, and avoid losing track of old pension pots.



“A pension is more than savings — it is the income that helps turn retirement from simply surviving into living comfortably.”

Need more information & advice?

We're here to help you plan
for a **secure retirement.**

CONTACT US



EMAIL

www.info@angloifa.com



PHONE

01483300377



WEBSITE

www.angloifa.com