



How much do I need to save for retirement?

What's inside

How much income will I need in retirement?	2
Single: How do you want to spend your time and money in retirement?	3
Couple: How do you want to spend your time and money in retirement?	4
Minimum: How much will I need to have in my pension?	5
Moderate: How much will I need to have in my pension?	6
Are you on track?	7



How much income will I need in retirement?

This is a common question that many of us want to get an answer to. The retirement living standards* have been created to make planning for your retirement easier with three simple lifestyle examples.

Minimum

Single: £14,400
Couple: £22,400



Covers all your needs, with some left over for fun

Moderate

Single: £31,300
Couple: £43,100



More financial security and flexibility

Comfortable

Single: £43,100
Couple: £59,000









More financial freedom and some luxuries

*Source: www.retirementlivingstandards.org.uk







Single: How do you want to spend your time and money in retirement?

Choose which option most closely fits with your circumstances and goals. For example, consider how often you want to go on holiday, replace your car and make upgrades to your home. These will all determine the amount of income you will need in retirement.

	Minimum	Moderate	Comfortable
Single	£14,400 a year	£31,300 a year	£43,100 a year
What standard of living could you have?	Covers all your needs, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
 House	DIY £100 a year to maintain condition of your property	Some help with maintenance and decorating each year	Replace kitchen and bathroom every 10/15 years
 Food	Around £50 a week on groceries, £25 a month on food out of the home, £15 per fortnight on takeaways	Around £55 a week on groceries, £30 a week on food out of the home, £10 a week on takeaways, £100 a month to take others out for a monthly meal	Around £70 a week on food, £40 a week on food out of the home, £20 a week on takeaways, £100 a month to take others out for a monthly meal
 Transport	No car, £10 per week on taxis, £100 per year on rail fares	3 year old small car, replaced every 7 years, £20 a month on taxis, £100 per year on rail fares	3 year old small car, replaced every 5 years, £20 a month on taxis, £200 per year on rail fares
 Holidays and leisure	A week long UK holiday. Basic TV and broadband plus a streaming service	A fortnight 3* all inclusive holiday in the Med and a long weekend break in the UK. Basic TV and broadband plus two streaming services	A fortnight 4* holiday in the Med with spending money and 3 long weekend breaks in the UK. Extensive bundled broadband and TV subscription
 Clothing and personal	Up to £630 for clothing and footwear each year	Up to £1,500 for clothing and footwear each year	Up to £1,500 for clothing and footwear each year
 Helping others	£20 for each birthday present and Xmas present. £50 a year charity donation	£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, £25 per month charity donation, £1,000 family support

Couple: How do you want to spend your time and money in retirement?

Choose which option most closely fits with your circumstances and goals. For example, consider how often you want to go on holiday, replace your car and make upgrades to your home. These will all determine the amount of income you will need in retirement.

	Minimum	Moderate	Comfortable
Single	£22,400 a year	£43,100 a year	£59,000 a year
What standard of living could you have?	Covers all your needs, with some left over for fun	More financial security and flexibility	More financial freedom and some luxuries
 House	DIY £100 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 £95 a week on groceries, £50 a month on food out of the home, £30 a month on takeaways	Around £100 a week on groceries, £60 a week on food out of the home, £20 a week on takeaways, £100 a month to take others out for a monthly meal	Around £130 a week on food, £80 a week on food out of the home, £30 a week on takeaways, £100 a month to take others out for a monthly meal
 Transport	No car, £15 per week on taxis, £100 per year per person on rail fares	3 year old small car, replaced every 7 years, £20 a month on taxis per household, £100 per year on rail fares per person	3 year old small car, replaced every 5 years, £20 a month on taxis per household, £200 per year on rail fares per person
 Holidays and leisure	A week long UK holiday. Basic TV and broadband plus a streaming service	A fortnight 3* all inclusive holiday in the Med and a long weekend break in the UK. Basic TV and broadband plus two streaming services	A fortnight 4* holiday in the Med with spending money and 3 long weekend breaks in the UK. Extensive bundled broadband and TV subscription
 Clothing and personal	Up to £630 for clothing and footwear each year	Up to £1,500 for clothing and footwear each year	Up to £1,500 per person for clothing and footwear each year
 Helping others	Twelve gifts of £20 for birthdays and the same amount for 12 Xmas presents. £50 per person a year for charity donations	Twelve gifts of £30 for each birthday and the same amount for 12 Xmas presents, £200 a year charity donation, £1,000 for supporting family members e.g. paying for grandchildren activities	Twelve gifts of £50 for each birthday and the same amount for 12 Xmas presents, £25 per person per month for charity donations, £1,000 for supporting family members e.g. paying for grandchildren activities

How much will I need to have in my pension?

Your financial lifestyle in retirement will be dictated by how much you have saved into your pension while you're working. The examples below assume that you will be entitled to the full State Pension.



Single: Minimum lifestyle

Annual retirement income goal	£14,400
Full State Pension	£11,500
Your pension will need to be	£3,800

Based on average retirement income rates*
you would need pension savings of around £63,500



Couple: Minimum lifestyle

Annual retirement income goal	£22,000
Full State Pension	£23,000
Your pension will need to be	£1,200

Based on average retirement income rates*
you would need pension savings of around £20,000

*Based on annuity rate assumptions for someone aged 67 year and in good health, who has opted not to take any tax free cash.

How much will I need to have in my pension?

Your financial lifestyle in retirement will be dictated by how much you have saved into your pension while you're working. The examples below assume that you will be entitled to the full State Pension.



Single: Moderate lifestyle

Annual retirement income goal	£31,300
Full State Pension	£11,500
Your pension will need to be	£20,700

Based on average retirement income rates*
you would need pension savings of around **£345,500**



Couple: Moderate lifestyle

Annual retirement income goal	£43,100
Full State Pension	£23,000
Your pension will need to be	£21,900

Based on average retirement income rates*
you would need pension savings of around **£365,500**

*Based on annuity rate assumptions for someone aged 67 year and in good health, who has opted not to take any tax free cash.

Are you on track?



Check your State Pension

- When will you get your State Pension? Do you have your forecast? Find out [here](#).



Check how much all of your current pension savings are worth

- **Add and view** all your pensions in your Smart Pension account.
- Use the Smart Pension **lost pensions tool** to make sure you've included all your pots.



Check what your pension income will be

- Use a retirement **income calculator** to estimate your retirement income – you can adjust your contributions and/or retirement age to see how this will impact your pension.
- Make any adjustments in your **Smart Pension app** to make sure you reach your retirement goals.

