

Work out how much you will need in retirement

To ensure you have a comfortable retirement you need to make sure you'll have enough money to live on. Here you can work out how much income you'll have, how much your expenses are likely to be and if you'll have enough money to manage in retirement.

1. Estimate your income

Most people have more than one source of income in retirement. It's important to identify all your sources of income to see how much you'll have to live on compared to your income today.

Income sources	Now (per month)		When you retire (per month)	
	You	Your partner	You	Your partner
Work This income is not guaranteed for life and will fall if you cut down on work or stop altogether.	£	£	£	£
State Pension (secure) This income is guaranteed for life and will rise by at least the rate of inflation each year.	£	£	£	£
Defined benefit pensions (secure) This income is guaranteed for life and usually rises each year.	£	£	£	£
State benefits This income may be affected if your circumstances changes.	£	£	£	£
Other income This could be from savings, investments and any property you own. This income can vary.	£	£	£	£
Pension pot income - annuity (secure) If you buy a lifetime annuity this will provide you with a secure, regular income for life.	£	£	£	£
Pension pot income - drawdown This can provide you with a flexible income but it's not guaranteed for life.	£	£	£	£
Total income	£	£	£	£
A You and your partner's income	£		£	

2. Calculate your outgoings

Your spending is likely to change when you retire. For example, you may no longer have a mortgage or work expenses but if you spend more time at home your household bills may increase.

Outgoings	Now (per month)	When you retire (per month)
Household bills For example, mortgage/rent, Council Tax, electricity, gas, water, buildings insurance and contents insurance	£	£
TV, Internet, Phones For example, home/mobile phones, broadband, satellite/digital TV, TV licence, film/sport subscriptions and anti-virus software.	£	£
Living costs For example, food, toiletries, medicines, takeaways, lunches and snacks, hairdressers, sports/gym memberships, cigarettes and tobacco.	£	£
Borrowing For example, loan repayments, credit card repayments, overdraft charges, hire purchase/catalogue repayments and bank charges.	£	£
Family and friends For example, maintenance/child support, pet food, vet bills and birthday presents.	£	£
Travel For example, bus/tube/tram/train fares, vehicle tax, vehicle insurance, vehicle finance/loan repayments, MOT, petrol/diesel, repairs and maintenance.	£	£
B Total outgoings	£	£

3. Compare your budgets

Calculate your current monthly budget and compare it with your retirement budget. If you'll have enough secure, regular income to cover your expenses, that's good. If not, you'll either need to increase your income or reduce your spending to make ends meet.

	Now (per month)	When you retire (per month)
A You and your partner's income	£	£
B Total outgoings	£	£
A – B Difference	£	£