

Will your pension give you the lifestyle you want?

The Retirement Living Standards. A handbook, or a set of guidelines, if you will, that could help you to picture how much money you'd need in retirement, and what your retirement could look like. It's pretty useful stuff. Even more so when you consider that "77% of savers don't know how much they'll need in retirement, and only 16% of savers can give a figure".¹

Well, what are they?

The Retirement Living Standards (RLS) are designed to provide an estimation of how much your retirement could cost.

They're divided into three different bands, for three different levels of living: comfortable, moderate, and minimum living standards. Of course, everyone's lifestyle is unique, so the Standards try to encapsulate different approaches to things like holidays, shopping, transport and even household bills, so it's easier to break down important costs. They also outline how much you could spend depending on whether or not you're single.

The brains behind the Retirement Living Standards (the Pensions and Lifetime Savings Association) use real-world data to ensure the Standards remain relevant.

In fact, the Standards are updated every year to make sure they represent an accurate cost of various lifestyles, by taking things like consumer research, inflation and the Consumer Prices Index (CPI) into account. Therefore, all the numbers and figures in this article are accurate for the 2024/25 tax year.

So, how much will you need?

Well, it all depends on whether you think you'll live a comfortable, moderate or minimum retirement lifestyle.

A **minimum** lifestyle covers all the basics, but allows enough for some fun – fun being a week-long UK-based holiday, the occasional meal out, and weekly leisure. The Retirement Living Standards say that you could get that sort of lifestyle at an annual cost of around £14,400 for a single person or £22,000 for a couple.

A **moderate** lifestyle sees that cost hike – in fact, it's almost double. £31,300 a year would see a single person enjoy a lifestyle that includes an annual two-week foreign holiday and eating out a few times every month, amongst other things. For a couple, that cost leaps to £43,100.

And then, a **comfortable** lifestyle comes with all the fun of more financial spontaneity. In other words, you'll have the income to spend more frivolously, such as enjoying a foreign holiday mingled with some UK 'minibreaks', streaming service subscriptions, or regular beauty treatments. That would cost, on average, £59,000 a year for a couple or £43,100 a year for a single person.

The Retirement Living Standards break down these figures into more detail, should you want it. They've thought about the cost of a weekly food shop or how much gifting loved ones birthday presents could set you back in each lifestyle. A comfortable lifestyle, for instance, means spending

¹ [The Detail - PLSA - Retirement Living Standards](#)

around £70 per week on groceries, whereas a minimum lifestyle would allow just £50 for the weekly shop.

To learn more about The Retirement Living Standards, visit their website at retirementlivingstandards.org.uk.



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Source: The PLSA/Loughborough University Retirement Living Standards April 2024.*

How can the Standards help you?

The Retirement Living Standards are at their most useful when you know what sort of lifestyle you want to live.

Working out what you enjoy doing now could help you picture what sort of income you'll need in retirement. Enjoy regular weekends away? Maybe you love kicking your feet up in the evenings and perusing what your streaming service of choice has to offer? Perhaps you have a ritual of eating out every so often or you order the occasional takeaway. The extent to which you do all of this now could translate to how much you'll expect to do it in retirement.

So, there are some important questions to ask yourself. What kind of lifestyle do you live now? How much do you spend on it each year? Working out what you're used to spending could help to picture what sort of lifestyle you'll want or expect to live in retirement.

Of course, knowing what kind of income you're going to receive also depends on how you eventually take your pension. Comparing your ideal lifestyle cost to what you've already saved might give you an idea of whether you're on track. That's a whole different kettle of fish – and something we won't go into here – but [MoneyHelper has a handy calculator](#) that will provide an estimation of how much you could expect your pension to pay you each year in retirement.

What to do if you're not on track

Did you know that, for many, the combined total of a personal or workplace pension and the State Pension (which at its maximum is worth £11,500 in the 2024/25 tax year), could be a good starting point? In fact, the State Pension alone could help fund a single person to live a minimum retirement lifestyle (as defined by the Retirement Living Standards). However, for most people the State Pension on its own won't be enough.

If you know you want to live a certain lifestyle in retirement and are worried you won't have a large enough pension to cover it, there are still some things you can do to boost your savings.

For starters, there's power in the 1%. Increasing your workplace pension contributions by just 1% can have a drastic effect on your pension's value over a long period of time. Research by financial service company, Fidelity found that such an increase could boost your pension pot by as much as an £37,000 by the time you reach retirement age.²

Whilst you're still working, making the most of your employer's contributions can also boost your pension in the long term. If your employer matches your contributions, why not pay that little bit extra to take full advantage of doubling your money?

And finally, keeping track of your pensions or making sure you've not left any lying around is an important way to keep your savings on track. If you've ever lost your glasses, and only found that they were sitting on top of your head the whole time, then you'll know this feeling. Did you know that there is currently an estimated £19 billion in lost and forgotten pensions?³ If you've had multiple employers and lost track of them over the years, you might pick up the scent by looking through old paperwork. Everyone has an old shoebox lying around, crammed with old financial information. If your own research fails, then the [Pension Tracing Service](#) could help you find them. Could an unknown pension boost your retirement lifestyle? There's only one way to find out.

² [The power of 1% - how to boost your pension by £37,000 \(fidelity.co.uk\)](#)

³ [New Pension Tracing Service website launched - GOV.UK \(www.gov.uk\)](#)