

PUTTING A PRICE ON RETIREMENT

Have you considered how you would like to spend your retirement, and how much it might cost?

It's a tricky question to answer, but the Pensions and Lifetime Savings Association (PLSA) in conjunction with Loughborough University has created the Retirement Living Standards¹ framework to help you answer exactly that!

When considering how much you will need, the PLSA has categorised the cost of retirement into three possible standards of living – **minimum**, **moderate** and **comfortable**.

Let's look at **minimum**...²

This covers the basics.

ANNUAL COST

Single

£14,400

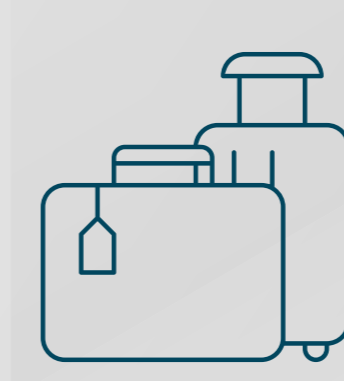
Couple

£22,400



WEEKLY FOOD BUDGET PER COUPLE

£113



ANNUAL HOLIDAY ALLOWANCE

One week coach package holiday in the UK.

Let's look at **moderate**...²

This covers more than just the basics.

ANNUAL COST

Single

£31,300

Couple

£43,100



WEEKLY FOOD BUDGET PER COUPLE

£204



ANNUAL HOLIDAY ALLOWANCE

Two weeks in Europe and a long weekend in the UK.

Let's look at **comfortable**...²

This would allow for some luxuries.

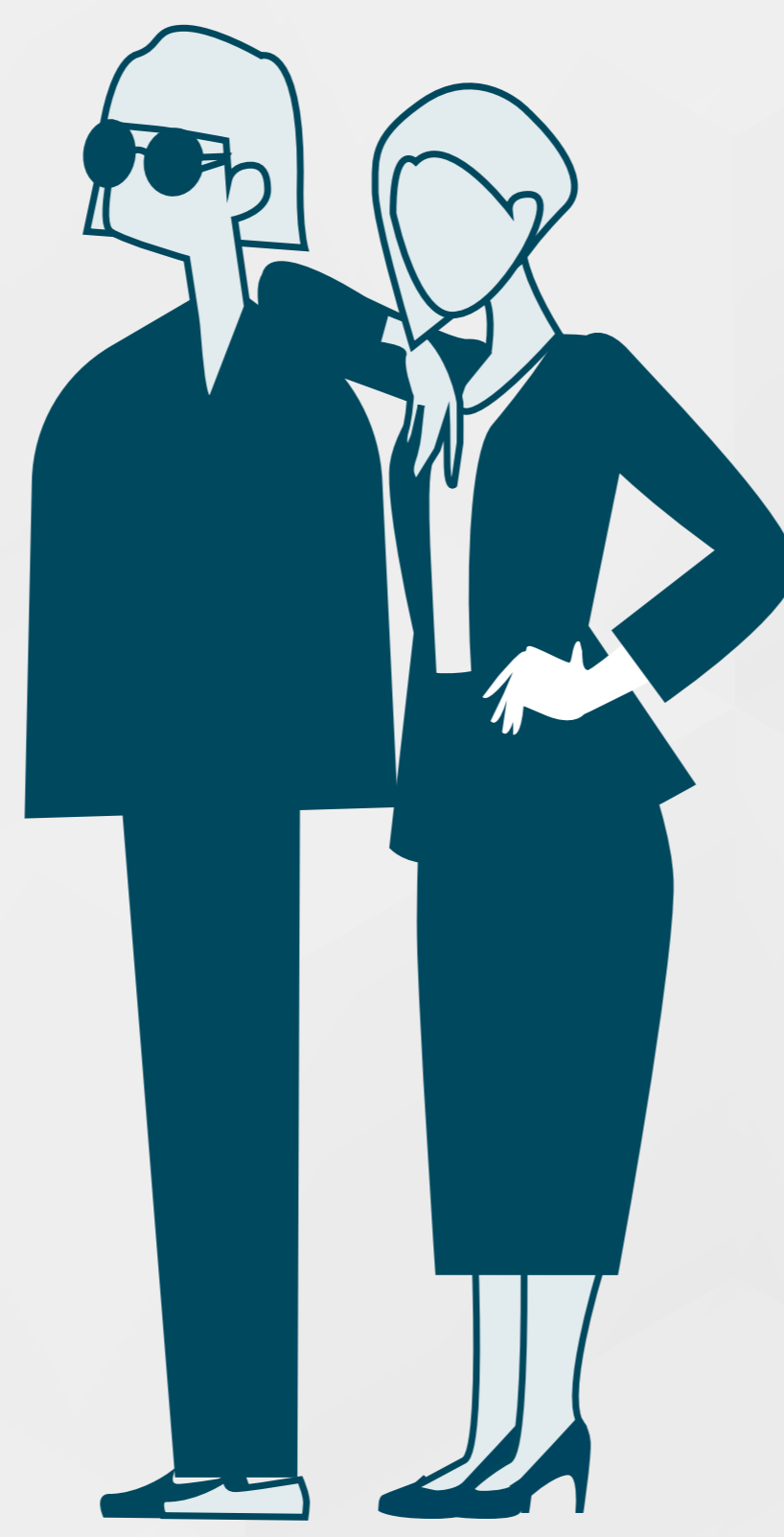
ANNUAL COST

Single

£43,100

Couple

£59,000



WEEKLY FOOD BUDGET PER COUPLE

£264



ANNUAL HOLIDAY ALLOWANCE

Two weeks in Europe and three weekends away in the UK.

TO SUM UP²

	Minimum (£)	Moderate (£)	Comfortable (£)
Annual cost (single)	14,400	31,300	43,100
Annual cost (couple)	22,400	43,100	59,000
Annual cost in London (single)	15,700	32,800	45,000
Annual cost in London (couple)	24,500	44,900	61,200

¹ The PLSA/Loughborough University Retirement Living Standards are the property of and provided by the Pensions and Lifetime Savings Association 'PLSA' and Loughborough University.

² Amounts shown are based on prices of a range of common goods and services as at April 2023. These include household, food, transport, holidays and leisure, clothing and personal, and other costs. Amounts are recalculated on an annual basis based on a series of assumptions.

HOW WILL MY SPENDING CHANGE?

Another way to plan for retirement is to look at what you spend today and consider how this may change when you stop working.

Will I still spend as much on transport?

Will my energy bills increase?

How often will I go out for dinner?

What kind of hobbies will I have?

Will I buy as many takeaway coffees?

Where will we travel to with our free time?

How might future inflation impact our plans?

As you can see, planning for retirement requires thinking up and answering lots of questions. This can be overwhelming!

To understand what you will most likely need, and what you will be able to afford in retirement, a financial adviser can help you draw up a detailed plan. They can work with you to ensure that your plans remain up to date as the years go by, so you can focus on enjoying your life beyond work.

Find out more about the 'Retirement Living Standards' at retirementlivingstandards.org.uk.

Important information

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