

# How much should you save **into your pension?**

Whether it's a distant goal or not too far off, many of us wonder if we're really saving enough for retirement. It can be difficult to picture what life might be like when you stop working, and even harder to know how much it might cost. Many people save what they can and hope for the best.

This guide aims to take the doubt out of pension planning and take steps towards a secure future.



# Introducing the Retirement Living Standards

**The Retirement Living Standards (RLS)** from Pensions UK are based on independent research by Loughborough University. They can give you an idea of how much money you might need in retirement, based on three different levels of lifestyle – minimum, moderate and comfortable.

The standards are based on real spending and provide estimated costs for one person or two person households, and assume there is no rent or mortgage to pay in retirement. Understanding them could help you work out how much you need to support the lifestyle you want when you stop working.

For the purpose of this guide we have focused on one person households. You can find out more about the projected costs for two person households at [royallondon.com/retirement-living-standards](https://royallondon.com/retirement-living-standards).

RETIREMENT  
LIVING  
STANDARDS



# Minimum

(one person household)

**The Minimum Standard** covers the cost of all your basic needs, and some left over for fun. For example a self-catering or half-board holiday in the UK, eating out once a month and some affordable leisure activities with family and friends once or twice a week.



- Food**  
£55 a week on groceries.  
£30 a month eating out.  
£12 a month on takeaways.
- Clothing and footwear**  
Up to £450 each year.
- Helping others**  
12 x gifts of £20 for birthdays. 12 x gifts of £20 for Christmas presents.
- Transport**  
No car. Free bus pass.  
£30 a month for two taxi trips. £180 a year to cover 3 rail journeys.
- House**  
Maintaining condition of your property: £200.
- Holidays and leisure**  
A weeklong UK holiday.  
TV license and broadband plus a streaming service with ads, £20 a week for activities.

## How much might you need in your pension pot and contribute each month?

Our [pension calculator](#) can help you see how much you need to reach the Minimum lifestyle, and whether you're on track. The below estimated pension pot value and monthly contributions offer a rough guide. The amount you need to save to reach this pension pot value will vary according to your current age and the number of years left until your chosen pension age.

### This is based on the following assumptions:

- You currently have no pension savings.
- You plan to retire at the state pension age of 68.
- You'll be eligible for the full state pension, which is currently £11,973 a year.

#### Total pension pot goal

**£52,000**

#### Monthly contributions from you and your employer

From age 22	<b>£40 per month</b>
From age 30	<b>£56 per month</b>
From age 45	<b>£120 per month</b>

These figures are for a one person household and have been calculated using our pension calculator. Keep in mind, these are estimates and not financial advice. We've used a basic income tax calculation, which assumes you'll not receive any additional income at retirement. Calculations assume investment growth of 5% a year, inflation at 2% and management fees of 0.75% a year.

# Moderate

(one person household)

The **Moderate Standard** provides more financial security and flexibility than the Minimum. This could cover an annual overseas holiday and a long weekend off peak break in the UK, a take-away once a week and eating out a couple of times a month.



- Food**  
£56 a week on groceries.  
£32 a week eating out.  
£11 a week on takeaways.  
£106 a month to take others out for a meal.
- Clothing and footwear**  
Up to £1,548 each year.
- Helping others**  
12 x gifts of £30 for birthdays. 12 x gifts of £30 for Christmas presents.  
£200 per household a year for charity donations.  
£1,000 for supporting family members.
- Transport**  
3-year-old small car, replaced every 7 years.  
£22 a month on taxis.  
£104 a year on rail fares.
- House**  
Maintaining condition of your property: £500.  
£300 contingency.
- Holidays and leisure**  
A fortnight 3\* all-inclusive holiday in the Med plus a long weekend off peak break in the UK. TV license and broadband plus two streaming services.  
£43 a week for activities.

## How much might you need in your pension pot and contribute each month?

Our [pension calculator](#) can help you see how much you need to reach the Moderate lifestyle, and whether you're on track. The below estimated pension pot value and monthly contributions offer a rough guide. The amount you need to save to reach this pension pot value will vary according to your current age and the number of years left until your chosen pension age.

### This is based on the following assumptions:

- You currently have no pension savings.
- You plan to retire at the state pension age of 68.
- You'll be eligible for the full state pension, which is currently £11,973 a year.

#### Total pension pot goal

**£703,000**

#### Monthly contributions from you and your employer

From age 22	<b>£560 per month</b>
From age 30	<b>£780 per month</b>
From age 45	<b>£1710 per month</b>

These figures are for a one person household and have been calculated using our pension calculator. Keep in mind, these are estimates and not financial advice. We've used a basic income tax calculation, which assumes you'll not receive any additional income at retirement. Calculations assume investment growth of 5% a year, inflation at 2% and management fees of 0.75% a year.

# Comfortable

(one person household)

The **Comfortable Standard** allows more spontaneity to the Moderate lifestyle, including extra-long weekends away in the UK, some day trips, extra spending allowance on eating out and social activities.



- Food**  
£75 a week on food. £42 a week eating out. £21 a week on takeaways. £106 a month to take others out for a meal.
- Clothing and footwear**  
Up to £1,548 each year.
- Helping others**  
12 x gifts of £50 for each birthday. 12 x gifts of £50 for Christmas presents. £300 per household a year for charity donations. £1,000 for supporting family members.
- Transport**  
3-year-old small car, replaced every 5 years. £22 a month on taxis. £208 a year on rail fares.
- House**  
Maintaining condition of your property: £600. £300 contingency.
- Holidays and leisure**  
A fortnight 4\* holiday in the Med with around £100 per person spending money. 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.

## How much might you need in your pension pot and contribute each month?

Our [pension calculator](#) can help you see how much you need to reach the Comfortable lifestyle, and whether you're on track. The below estimated pension pot value and monthly contributions offer a rough guide. The amount you need to save to reach this pension pot value will vary according to your current age and the number of years left until your chosen pension age.

### This is based on the following assumptions:

- You currently have no pension savings.
- You plan to retire at the state pension age of 68.
- You'll be eligible for the full state pension, which is currently £11,973 a year.

Total pension pot goal	
£1,150,000	
Monthly contributions from you and your employer	
From age 22	£925 per month
From age 30	£1,290 per month
From age 45	£2,800 per month

These figures are for a one person household and have been calculated using our pension calculator. Keep in mind, these are estimates and not financial advice. We've used a basic income tax calculation, which assumes you'll not receive any additional income at retirement. Calculations assume investment growth of 5% a year, inflation at 2% and management fees of 0.75% a year.

# The **benefits** of starting early

The examples provided in this guide give a practical overview of the pension contributions required to achieve your desired retirement lifestyle.

They also highlight the impact of starting to save early and what this means for your regular pension contributions, as it gives your savings more time to grow. While these examples are based on retiring at state pension age, you can access your pension savings from age 55. This will rise to age 57 from April 2028 and could change again in future. So it's worth remembering that until then your pension savings are locked away.

The actual amount you receive at retirement will depend on investment performance and factors like inflation. The value of investments can go down as well as up, and you could get back less than you pay in. Tax treatment depends on your individual circumstances and may change in the future.



# Take control of your **financial future**

It's important to check your pension savings regularly – this can help you keep track of how much they're likely to be worth at retirement and understand if any changes are needed.

You can use this checklist to help you take control and start planning:



**Check your state pension forecast** today at [gov.uk/check-state-pension](https://www.gov.uk/check-state-pension).



**Check the value of all of your current pension savings**  
You can use our mobile app to check your Royal London plan value. Select 'Explore your future outlook' to see how much you might have at your chosen pension date.



**Visit [royallondon.com/pension-calculator](https://royallondon.com/pension-calculator)** to understand if you're on track for the lifestyle you want in retirement or if you need to make any changes.

If you're unsure whether you're saving enough for retirement, we recommend speaking to a financial adviser. You can find a list of adviser directories at [royallondon.com/find-a-financial-adviser](https://royallondon.com/find-a-financial-adviser).

Advisers may charge for their services – though they should agree any fees with you upfront.





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