RATHBONES

Will your retirement savings last if you live to 100?

Plan ahead with practical steps to help your money go further and support the life you want.

Quick read: planning for a longer life

Only have a minute? We recommend you take high quality financial advice from a trusted adviser. Here are the key points from this guide:

01

Your chances of living to 100 may be higher than you think

For a woman aged 30 today, there's an 11.5% chance. For a man, it's 6.5%. That means your retirement savings may need to last 35 years or more.

02

Saving early makes a huge difference

Start at 25, and £1,608 per month could grow to £1 million at 65. Wait until 45, and you would need to save £3,659 per month to reach £1 million at 65.*

03

Avoid taking income too early

If you can, delay drawing from your pension to give your investments more time to grow.

04

Review your plan regularly

Once you're drawing income, check in at least twice a year, especially if inflation rises or markets fall.

05

Use cashflow modelling to understand the bigger picture

It won't predict the future, but it can show what's possible and help you make informed choices.

06

The way we live is changing and our finances need to adapt

Fewer people are fully retiring in their 60s. A flexible approach to life and money could be the key to long-term wellbeing.

Source
ONS Life Expectancy Calculator, February 2025
*Assuming pensions contributions are increased by inflation each year, with an investment growth of 5% per annum.

01

Your chances of living to 100 may be higher than you think

Living to 100 is no longer unusual and your money may need to keep up

According to the Office for National Statistics (2025):

- A woman aged 30 today has an 11.5% chance of living to 100.
- A man aged 30 has a 6.5% chance.
- Even at age 50, a woman has a 7.8% chance and a man 3.9%.

For comparison, the average life expectancy for someone aged 65 today is around 88 for women and 85 for men. That still means planning for 20 to 25 years in retirement, and possibly many more.

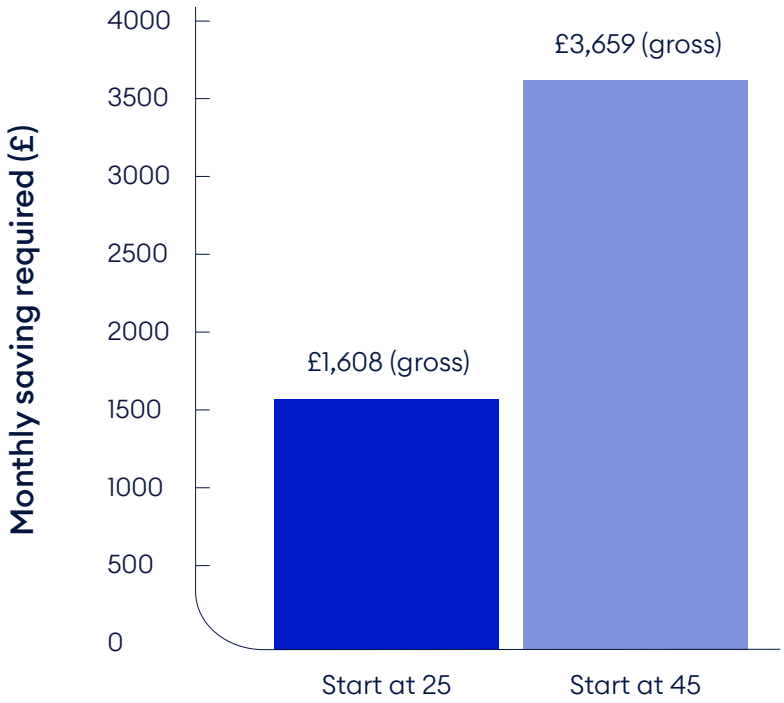
02
Saving early makes a huge difference

How do you give your money a better chance of lasting?

Saving earlier gives your money more time to grow. For example, if Alex starts saving £1,608 (gross*) per month into a pension from age 25 and increases this amount by 3.60% annually, they could retire at 65 with around £1 million. Wait until 45 to start saving and the amount they need to save in order to reach £1 million at 65 increases to £3,659 (gross) per month.

Please note that the above assumes pension contributions are gross, increased by inflation each year, with an investment growth of 5% per annum, and include pension tax relief.

Monthly pension saving needed to reach £1 million by age 65



*A gross pension contribution is one that takes into account the benefits of pension tax relief. For example, if Alex was a basic rate taxpayer and wanted to add £1,608 into his pension each month, he would only actually need to pay £1,286.40, as the remaining £321.60 (25%) would be added by HMRC as tax relief. This highlights how beneficial saving into a pension can be for individuals.

03
Avoid taking income too early

Should you dip into your pension early?

You can access your pension from age 55 (rising to 57 from 2028), but that doesn't mean you should.

The longer you leave your pension untouched, the more time it has to grow. If you have other savings to draw on first, such as ISAs or general investment accounts, it may make sense to delay. This can also help preserve more of your pot for later in life, when healthcare or care costs may be higher.

04
Review your plan regularly

Are you reviewing your income plan regularly?

Once you're drawing income from your investments or pension, it's worth checking in on your plan at least twice a year.

If markets fall or inflation rises more than expected, you may need to adjust how much you take or where you draw from. Small corrections now can help you avoid larger problems later on.

“

It’s not about predicting the future but it can give you greater confidence.

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05

Use cashflow modelling to understand the bigger picture

How can cashflow modelling help?

Cashflow planning can give you a clearer view of what’s possible. It uses assumptions about your income, spending, investment growth and inflation to show how your finances might evolve over time. It can help answer questions like:

- Will my money last if I retire early?
- Can I afford to help my children now and still retire comfortably?
- Should I take a lump sum, or phase my pension?

It’s not about predicting the future but cashflow modelling can give you greater confidence in your decisions today.

06
The way we live is changing and our finances need to adapt

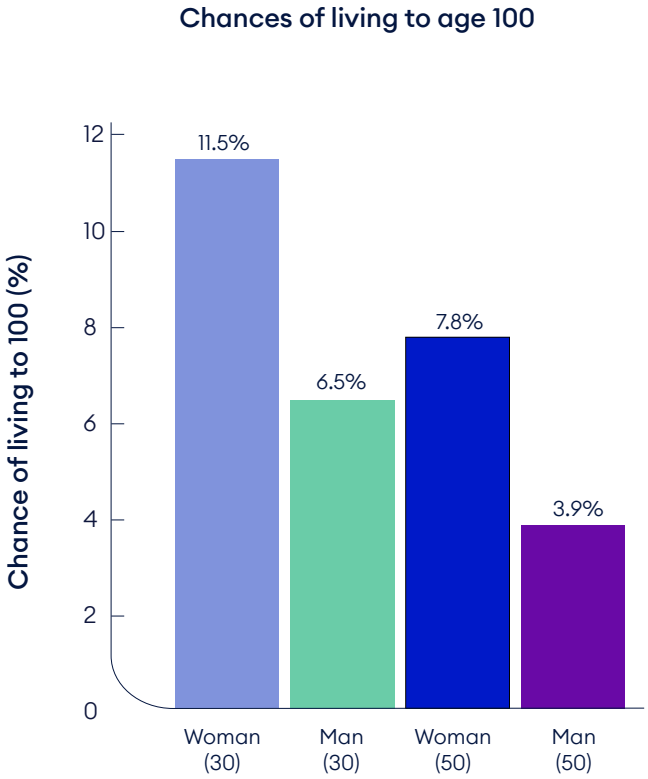
What kind of life do you want to fund?

Living to 100 isn't just about money. It's about the freedom to stay active, learn new things, change direction or make time for what matters.

Many people no longer see retirement as a single event. Some step back gradually, others pursue second careers, passion projects or volunteering.

The key is flexibility. Financial independence gives you more freedom to shape a later life that's fulfilling, not just financially, but personally too.

You can also make your money go further by drawing your income in a more tax-efficient way. For more on this, see our guide "Keep more of your money in retirement".



Source
ONS Life Expectancy Calculator, February 2025

Explore the full retirement planning series

This guide is one of six in our series designed to help you make informed, confident choices about life after work.

7 tips to help you achieve your retirement goals
A practical starting point for thinking ahead.

Keep more of your money in retirement
How to draw an income tax-efficiently and help your savings go further.

Worried about your retirement income?
Steps to help you stay in control and reduce the risk of running out.

Keep your retirement on track by avoiding these common mistakes
What we see most often and how to avoid it.

How to build a £1 million pension pot
Starting early can make a big difference.

Find out more

Rathbones is one of the UK's largest and most established investment managers, trusted for over 100 years to help people plan well, invest well and look to the future with confidence. We combine the scale and resources of a FTSE 250 company with a relationship led approach built around understanding each client's goals, values and priorities.

To learn more about Rathbones, including our investment philosophy and approach, you can visit **rathbones.com**

If you have any questions your financial adviser will be able to guide you. Financial advisers can contact our intermediary services desk on: **020 7399 0399** and **DFMsales@rathbones.com**

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