

How long can I expect my retirement to last?

How long might people live in retirement?

How long people can expect to live will depend on the particular individual's state of health. It also varies where you live in the country, but on average about twenty five years. Now that is continuing to improve as well, it improves by about two years for every ten years that go by. So in ten years time we might expect people to live on average about twenty seven years in retirement.

What do people need to think about?

One of the key things that people need to think about over their retirement is not running out of money, to manage their money carefully over the whole of their retirement. Now, different solutions will suit different people, for example annuities guarantee an income for the whole of your life and that's the only way to guarantee an income for the whole of your life.

There are other options such as income drawdown, where you take out the income that you need from your pension fund each month, for as long as you need it. But the problem there is you might run out of money before you die.

Equally, you can take your whole pension pot out as cash and invest it in something else for instance such as ISA's and take an income from those ISA's. But again you might run the risk that you run out of money prematurely.

What actions should people take?

The actions that people should take when considering their retirement plans are firstly to look at all of their savings together, not just their pension pot. People need to think about how that saving is going to sustain them right throughout their retirement, so they don't want to draw too much of that saving too early on and plan that budgeting early on right throughout their retirement.

There's an awful lot of options from which people can take their retirement income now with different tax treatments and it can be quite complicated, so if you are in any doubt at all consider taking advice from a financial adviser first.