

# Pension 'mission impossible' as savers told they need £530k for comfortable retirement

Do you want to spend your final years in comfort and ease? Your mission, should you choose to accept it, is to save £530,000 by age 67.

By [Harvey Jones](#) 08:33, Sun, May 14, 2023 | UPDATED: 10:10, Sun, May 14, 2023



That's a staggering sum, especially in an era of stagnating wages, rocketing prices and volatile stock markets.

The [Pension and Lifetime Savings Association \(PLSA\)](#) calculates that roughly speaking, a single person needs total pension income £12,800 a year after tax to achieve the "minimum" living standard.

This rises to £23,300 a year for a “moderate” lifestyle, and £37,300 a year to be “comfortable”.

Inevitably, couples need more money: £19,900 a year as a bare minimum, £34,000 for a moderate living standard and £54,500 to enjoy a bit of comfort.

Many pensioners will look at those figures and wonder how anyone can generate that much, as millions scrape by on much less.

For pensioners who only get the [state pension](#), even the minimum will be out of reach.

The new state pension pays £10,600 a year, but only to those who have made the maximum 35 years of National Insurance contributions.

Those who retired before April 6, 2016 on the [basic state pension will get £8,122 a year at most](#).

While many will get that topped up by additional state pension such as Serps and S2P, others get even less and should apply for [means-tested benefit Pension Credit](#).

It's clear that we all have to build wealth in our own names to have any hope of enjoying retirement.

To achieve the barest minimum retirement income from a combination of state pension and an annuity, a single person needs a total pension pot of around £36,500, PLSA figures show.

To generate a moderate retirement income they face a much tougher savings target of £248,000.

This rises to a staggering £530,000 to be comfortable. Those figures are daunting enough, but in practice some face an even more challenging

mission.

New research produced by former Pensions Minister Steve Webb, now a partner at consultancy LCP, says PLSA figures assume every pensioner owns their home and has cleared their mortgage in full.

Yet one in four older households are either renting or have unpaid mortgage debt, according to the English Housing Survey, and their numbers are growing.

Renting a two-bed property typically costs around £9,500 a year, and Webb says renters need £269,000 more retirement savings to fund it.

A single person who rents in retirement therefore needs £517,000 for a moderate living standard, or £799,000 to be comfortable.

Some people don't even bother but Victoria Scholar, head of investment at Interactive Investor, points out: "Saving something is always better than saving nothing at all."

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