



Growing together, with integrity and respect

# Retirement Income Calculator

## Overview

Our Retirement Income Calculator is designed to give you a simple, real-world picture of how long your pension and investments may last once you stop working. It takes your total retirement assets and the income you want to draw, then projects this forward year by year.

The aim is to help you make informed decisions, understand sustainability, and give you confidence about your long-term financial future.

## How It Works

This is a dynamic, interactive tool — meaning you can adjust the figures to see how different decisions affect the longevity of your money. Increase income, reduce income, change growth or inflation assumptions — it updates instantly.

Think of it as a “what if?” modeller for your retirement.

## Key Inputs

There are six main fields you can adjust:

- **Expected inflation rate**  
This increases your income each year. If you don't want your income to rise, you can set this to zero.
- **Expected growth**  
The average long-term investment growth you expect after fees and charges.
- **Total assets**  
The value of the investments that will provide your retirement income.
- **First year of retirement**  
Usually the current year — this is when income starts.

- **Annual income (before tax)**  
Your starting income, which will rise with inflation if selected. This excludes guaranteed income such as your State Pension.
- **Age at end of first year of retirement**  
For couples, use the younger age.

You'll also see a table showing historic global equity returns and inflation to help you make informed assumptions.

Two additional optional fields — **Special Withdrawal** and **Special Deposit** — allow you to test the impact of taking a lump sum out or adding money in (e.g., inheritance, gifting, large expenses).

## What the Calculator Shows You

Once you've entered your information, the model shows:

- The estimated value of your investments at the end of each year
- The point at which the fund may run out (if applicable)

This creates a lot of data, so the **Overview** tab simplifies it for you.

### Overview Tab Includes:

- A summary of your details (age, income, fund value)
- Key assumptions used
- Two simple charts:
  - **Chart 1:** Estimated fund value over time
  - **Chart 2:** Annual withdrawals (shown as negative numbers because money is being taken out)

This gives you clear, visual insight into how your retirement plan may unfold.

## Using This Alongside the Retirement Calculator

Both tools work brilliantly together.

- **The Retirement Calculator** estimates how much income your assets could provide in retirement, after tax and including guaranteed income like the State Pension.
- **The Retirement Income Calculator** then shows how long your chosen income level is likely to last.

This is especially helpful if your goals include leaving money for children or grandchildren, or simply ensuring your income remains sustainable over a long retirement.

# Why the Two Calculators Differ

There is a small but important technical difference:

## 1. Retirement Calculator

- Calculates income *after tax*
- Includes guaranteed income (e.g., State Pension)

## 2. Retirement Income Calculator

- Uses income *before tax*
- Excludes guaranteed income (because this doesn't need to be funded from your investments)

This ensures we are modelling both your *actual take-home income* and the *funding required from your investments* in an accurate and meaningful way.

## Disclaimer

The information, figures and outputs generated by the calculators are for **illustrative and general information purposes only**. They do **not** constitute personal financial advice, tax advice, investment advice or a recommendation to take any particular course of action.

Results are based on the information you enter and a number of assumptions which may not reflect your actual circumstances. Future investment returns, inflation, tax rules and allowances may change, and Money Wise UK® cannot guarantee the accuracy or completeness of any projections.

The tools are designed to help you think about your finances, but it **cannot take account of your full financial position, objectives, risk profile, or personal needs**. Before making any financial decisions, you should speak with a **qualified and regulated financial adviser**.

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