



Retirement Is Changing: Are We Ready?

October 2026

WHY FINANCIAL PLANNERS NEED A STRONGER FRAMEWORK
AND WHY INDIVIDUALS NEED TO THINK DIFFERENTLY ABOUT RETIREMENT

Drawing together Standard Life's October 2026 research with the PPI's November 2024 retrospective, the Money Wise UK / Aspen retirement white paper, recent CRP research and Money Wise UK insights.

The retirement conversation needs to move on

Retirement planning is changing because retirement itself is changing. The shift from Defined Benefit to Defined Contribution pensions has transferred more responsibility to individuals, while longer lives, housing costs, changing work patterns and greater choice have made later-life decisions more complex.

This guide brings together research published at different points - Standard Life's Retirement Voice 2026 (October 2026) and the Pensions Policy Institute's 50 Year Retrospective (November 2024) - with the thinking developed through Money Wise UK insights, the Aspen Advisers / Money Wise UK retirement white paper, the recent AKG research on CRPs and practical work with financial planning firms.

The key message is simple: retirement planning now needs to work in two directions - firms need stronger structures, and individuals need a broader understanding of what retirement may involve.

For financial planning firms

- Build a repeatable retirement process, not simply another investment proposition.
- Plan for changing income needs, housing, tax, longevity, behaviour and vulnerability.
- Use MI and review triggers to identify when a retirement plan is moving off course.

For individuals

- Start with the life you want retirement to support, not only the pension value.
- Think about housing, essential spending, certainty, flexibility and how long money may need to last.
- Plan early enough to create choices about when and how you retire.

The evidence is telling a connected story

The two reports were published at different points but approach retirement from complementary directions. Standard Life's October 2026 research focuses on how people feel, plan and make decisions today. The PPI's November 2024 retrospective looks back over 50 years and forward to the retirement landscape future generations may face. Together they show why retirement cannot be treated as a static event.

5.3

year gap between when people would like to retire and when they expect to retire

89%

say guaranteed income for life is important when accessing pensions

80%

say flexible access to pension savings is important

73%

of adviser users feel financially better off as a result of advice

What the long-term picture adds

- The PPI identifies the shift from DB to DC pensions, rising house prices, longer life expectancy and changing family dynamics as major forces shaping retirement outcomes.
- Its modelling suggests future retirees may be less likely to own their homes outright and more likely to rent in retirement.
- The result is greater individual responsibility at the same time as the retirement environment becomes more complex.

Money Wise UK view: this is not a reason to make retirement sound frightening. It is a reason to plan earlier, explain choices more clearly and build retirement frameworks that can adapt.

Fifty years of change has shifted the risk

The PPI retrospective is useful because it shows that retirement has not simply become more expensive; the structure of retirement has changed. The direction of travel has been from greater scheme and employer responsibility towards greater individual responsibility.

1974

A more predictable model

- DB pensions were a central part of occupational provision.
- Home ownership was widespread and housing costs were relatively low compared with earnings.
- Retirement income was more likely to resemble an annuity-style income from State and DB pensions.

2024

More choice, more responsibility

- DC schemes dominate much of private pension saving.
- House prices were around eight times average annual salary in the PPI snapshot.
- Pension freedoms and multiple pots mean individuals make more decisions about how savings become income.

2042*

Housing may reshape retirement

- PPI modelling estimates pensioner owner-occupation could fall to 63%.
- Private renting could rise to 17% of pensioners.
- Retirement frameworks may need to accommodate ongoing housing costs for many more people.

* PPI housing projection is for 2042 and is shown here as a forward-looking marker rather than a 2034 forecast.

Why firms need a structure for the changing environment

A modern retirement proposition has to cope with more than investment selection. It needs to help advisers make consistent decisions about income, tax, risk, sustainability, housing, later-life needs and the trade-off between certainty and flexibility.

A CRP should centralise the process, not necessarily the outcome.

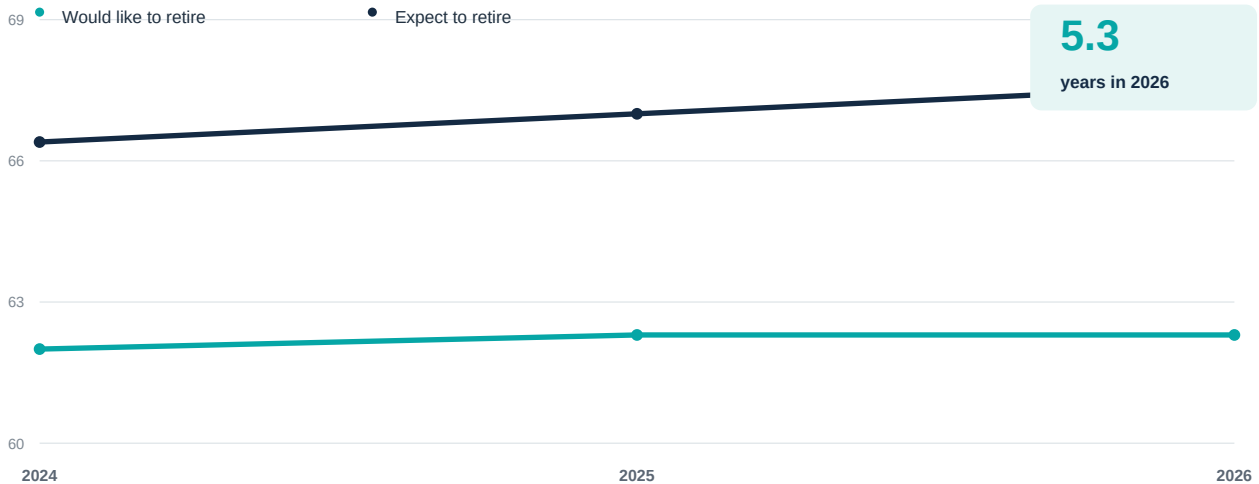
Why this matters now

- Clients are taking greater responsibility for retirement outcomes as DC pensions become more important.
- Retirement dates are less certain and may involve phased work, part-time work or several income sources.
- Housing costs may remain in retirement for more future clients.
- Clients increasingly want both security and flexibility rather than one standard income solution.
- Confidence falls sharply when decisions move from taking tax-free cash to turning pensions into sustainable income.
- Information sources are changing, including greater use of AI, but understanding and accountability still matter.

The opportunity for financial planners is not simply to manage a pension pot. It is to provide a framework that helps people make good decisions over a retirement that may last decades.

The retirement date is becoming less certain

Standard Life's survey finds that people who have not yet retired would ideally like to retire at 62.3, but now expect realistically to retire at 67.6. The gap has widened from 4.4 years in 2024 to 5.3 years in 2026.



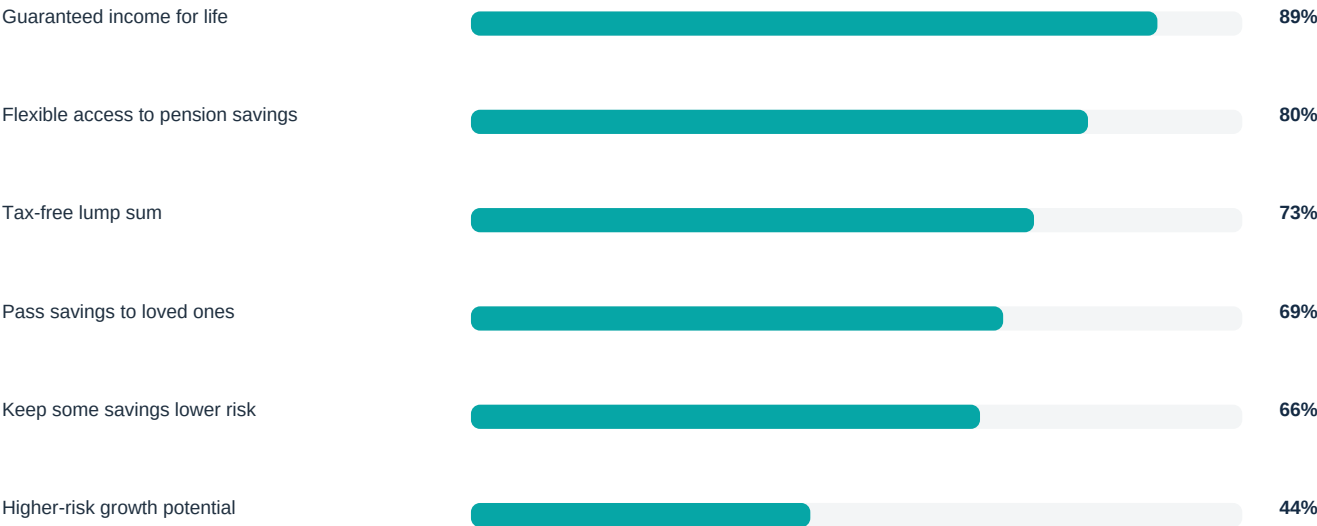
Planner question: does your retirement process begin early enough to help clients change the outcome, or only when they are ready to take benefits?

A phased retirement may involve

- reducing working hours rather than stopping completely
- using cash or ISA assets before pension withdrawals
- delaying pension access or State Pension
- bridging a period before secure income starts
- changing expenditure as work and family commitments evolve

Clients want certainty and flexibility

The old debate of annuity versus drawdown risks becoming too narrow. Standard Life finds that most non-retired people value both a guaranteed income for life and flexible access to pension savings.

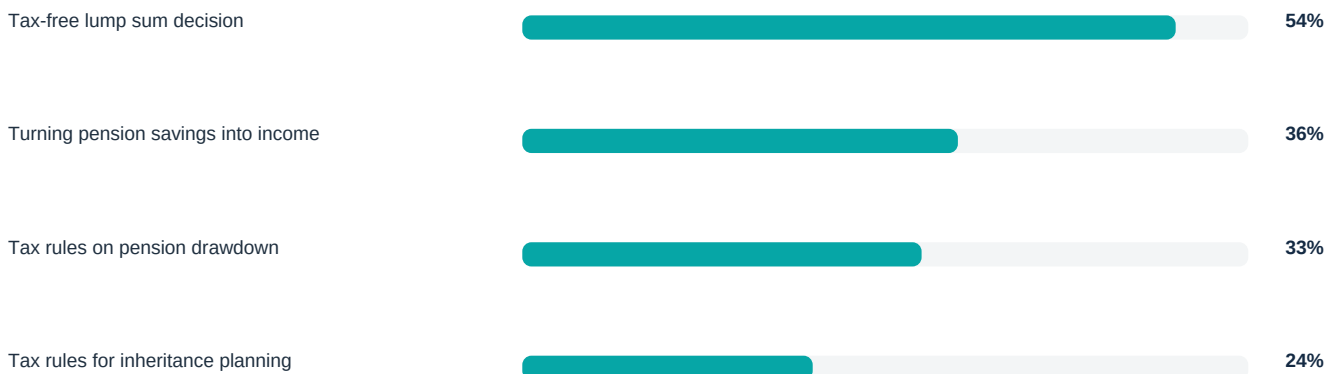


The better question may be: how much certainty and how much flexibility does this client need?

A structured CRP can make the consideration of secure income, flexible income, expenditure needs and investment risk repeatable without forcing every client into the same solution.

Confidence falls as decisions become more complex

People may feel comfortable with the visible decisions, such as tax-free cash, while being much less confident about the choices that can have the biggest long-term consequences.



73%

of people who have used an adviser say they feel financially better off as a result of receiving advice

16%

of UK adults used AI in the past year for information about pensions or saving for retirement

For firms, the opportunity is to combine good advice with better education: plain-English explanations, scenario modelling and a clear record of why a decision was made.

The retirement plan cannot assume the mortgage disappears

Many of today's retirees have two powerful foundations: private pensions and housing. Standard Life reports that 82% of retirees in its sample own their home outright, and 50% have a Defined Benefit pension. Future generations may not enter retirement with the same advantages.

82%

of current retirees in the Standard Life survey own their home outright

63%

PPI estimate for pensioner owner-occupation by 2042, down from 78% in 2022

17%

PPI estimate for private renting among pensioners by 2042, up from 6% in 2022

Implications for retirement planning

- Housing costs may remain part of essential expenditure for longer.
- Cashflow modelling should not default to a mortgage-free retirement without evidence.
- Downsizing, relocation or continued renting may need to be modelled as real choices.
- Housing can affect vulnerability, care, family support and inheritance as well as income needs.

A retirement plan that ignores housing can understate one of the largest costs a future retiree may face.

Build the process first. Choose solutions second.

A stronger retirement framework starts with the questions the firm expects every adviser to consider. The answer can be personalised; the process should be consistent.

1 Client circumstances

Income, assets, liabilities, housing, family, health and vulnerability.

2 Retirement objectives

When does the client want to retire and what does retirement mean to them?

3 Expenditure

Separate essential, discretionary and likely-to-change spending.

4 Secure income

State Pension, DB pensions, annuities and other guarantees.

5 Risk

Capacity for Loss, sequencing, inflation, longevity and behaviour.

6 Sustainability

Test withdrawals under different assumptions and time horizons.

7 Income strategy

Decide the appropriate mix of certainty, flexibility and liquidity.

8 Tax and wrappers

Sequence withdrawals and use assets in a way that supports the plan.

9 Legacy and later life

Clarify inheritance, care, family support and beneficiary objectives.

10 Monitoring

Define the triggers that would cause review, intervention or a change of strategy.

The document is not the evidence

A retirement proposition becomes useful when it changes what happens in practice. Governance should therefore focus on evidence of outcomes rather than simply whether the CRP was reviewed on time.

A useful board question is: what information would tell us that our retirement proposition is not working?

Area	What to monitor	Possible trigger
Withdrawals	Planned vs actual withdrawals; changes in income	Sustained increase or repeated ad-hoc withdrawals
Sustainability	Clients approaching depletion or cashflow limits	Plan moves outside agreed guardrails
Risk	Capacity for Loss, sequencing exposure, cash/liquidity	Material change in circumstances or risk tolerance
Client journey	Vulnerability, disengagement, missed reviews	Support need identified or review not completed
Income mix	Use and consideration of secure income	Evidence solutions are not being considered consistently
Outcomes	Actions taken and whether the position improved	Intervention did not reduce the identified risk

The purpose of MI is not to create more reporting. It is to identify where the process, client or environment has changed and where action is needed.

SOURCES Money Wise UK practical CRP work; AKG, Seeing the Bigger Picture: The Evolution of CRPs.

Why individuals may need to think differently about retirement

The same changes that make retirement planning more complex for firms make it more important for individuals to think beyond the size of their pension pot. A pension value on its own does not tell you when you can retire, what lifestyle it can support or how resilient the plan may be.

Move the question from “How big is my pension?” to “What do I want my money to enable me to do?”

The old shorthand

- Retirement happens at one age.
- The mortgage is gone.
- The pension provides the income.
- Spending is broadly fixed.
- Inheritance is whatever is left.

A more realistic conversation

- Retirement may be gradual.
- Housing costs may continue.
- Income may come from several sources.
- Spending can be essential, flexible and changing.
- Legacy should be a deliberate objective, not an assumption.

The aim is not to predict every detail. It is to understand the decisions that matter, create options and know what would cause the plan to change.

Worrying about retirement is not the same as planning for it

Standard Life finds widespread concern about future retirement, but also a significant planning gap. That combination can leave people feeling anxious without changing the outcome.

63%

of those not yet retired are worried they are not saving enough for when they are older

35%

of non-retired people have done no planning for their retirement finances

25%

of people not yet retired say they feel too busy to plan their future finances

Planning turns uncertainty into questions

- What age would I like to reduce or stop work?
- What would need to be true financially for that to happen?
- What could I change now - saving, spending, work or housing - to improve my choices later?
- Which parts of my future income are secure and which depend on markets?
- What would I do if circumstances changed?

A plan does not guarantee the future. It creates a framework for making decisions before circumstances make them for you.

The financial plan should support the life plan

Retirement is often discussed in financial language: pot size, withdrawal rate, tax, returns and income. Those things matter, but they are only useful if they support the life someone wants to live.

A successful retirement is not simply one where the money lasts. It is one where the plan helps the person use their resources with confidence and purpose.

Purpose

What will give structure, meaning and enjoyment when work changes or stops?

People

How might family, caring, gifting or support for others affect the plan?

Place

Where will you live, and what could housing cost throughout retirement?

Possibilities

Travel, hobbies, volunteering, part-time work and other goals may change expenditure over time.

Money Wise UK thought: this is where financial planning can go beyond technical advice. Education, coaching and good conversations can help clients imagine the transition rather than simply calculate it.

Think about spending, housing and a long retirement

Retirement may last 20, 30 or more years. It is unlikely that income needs, health, family circumstances or markets will remain unchanged for all of that time. The plan therefore needs room to adapt.

Question	Why it matters
What spending is essential?	Essential costs determine how much certainty may be valuable.
What spending is flexible?	Discretionary spending can provide a buffer when inflation or markets disappoint.
Will housing costs continue?	Rent or a mortgage can materially change the retirement income requirement.
How long might the plan need to last?	Longevity affects withdrawal rates, investment risk and how much flexibility is needed.
What would make the plan change?	Review triggers turn a projection into an ongoing decision-making process.

Cashflow modelling is not a prediction. Used well, it is a way to test “what if?” and agree what action would be taken if reality looks different.

Inheritance should also be an objective, not an assumption

Standard Life finds 69% of non-retired respondents say the ability to pass pension savings to loved ones is important. But preserving every pound can sometimes conflict with enjoying retirement. Clarifying who you want to support, when and why can help the plan balance today's life with tomorrow's legacy.

The research is not a gloomy retirement story

There is a risk that conversations about undersaving, longevity, tax and housing make retirement sound like a problem to be solved. The evidence also contains an important positive message: many people already in retirement are doing well.

70%

of retirees say their standard of living is better than, or similar to, before retirement

58%

of retirees feel positive about their current financial situation

43%

of retirees report living comfortably on their current income

The goal is not to frighten people into planning. It is to help future retirees create the same opportunity for confidence in a different environment.

What helped many current retirees?

- High levels of outright home ownership.
- Greater access to Defined Benefit pensions than many future retirees are likely to have.
- State Pension support and a retirement system that has reduced later-life poverty over time.

Future retirement can still be positive - but the route may require more deliberate saving, planning and decision-making.

Take these questions back to your business

- 1 Does our retirement process begin before the first withdrawal?
- 2 Do we plan for a gradual transition into retirement as well as a fixed retirement date?
- 3 Do we distinguish essential and discretionary expenditure consistently?
- 4 Do we consider secure and guaranteed income alongside flexible drawdown?
- 5 Are housing costs properly reflected in retirement modelling and target-market assumptions?
- 6 Do we model longevity, inflation, sequencing risk and changes in Capacity for Loss?
- 7 Can we identify clients whose withdrawals may be becoming unsustainable?
- 8 Do clients understand the retirement strategy, or simply receive a recommendation?
- 9 Do inheritance, later-life needs, vulnerability and family objectives form part of the process?
- 10 What MI tells us whether our retirement proposition is delivering good outcomes?

If the answer to several of these is unclear, the opportunity may not be another product. It may be a stronger retirement framework.

Questions to ask before retirement asks them for you

- 1 What do I actually want retirement to look like?
- 2 When would I ideally like to reduce or stop work?
- 3 What income will I need for essential expenditure?
- 4 Which expenses could change if inflation, markets or my circumstances move against me?
- 5 What guaranteed income will I already receive and when does it start?
- 6 What housing costs might I still have?
- 7 How long might my money need to last?
- 8 How important is leaving an inheritance compared with spending during my lifetime?
- 9 What would I do if my health, family or financial circumstances changed?
- 10 Do I understand my retirement plan well enough to feel confident about the decisions I may need to make?

These questions are not a substitute for personal advice. They are a useful starting point for turning retirement from an abstract future date into a plan.

The retirement environment is changing. The planning needs to change with it.

The PPI shows how dramatically the retirement landscape has changed over the last 50 years. Standard Life shows how people feel about the retirement that lies ahead. Together, the evidence suggests that future retirement may involve more individual responsibility, longer and less predictable journeys, different housing circumstances and a stronger need to balance certainty with flexibility.

For firms: build a living framework. For individuals: build a plan around the life you want retirement to support.

The opportunity for financial planning

- Help people engage earlier, before the retirement date is fixed by circumstances.
- Explain complexity in plain English and use scenarios to make choices understandable.
- Support the behavioural transition into retirement as well as the financial transition.
- Use education - guides, webinars, podcasts and retirement workbooks - to help clients think before they need to act.
- Use governance and MI so the firm can see whether retirement strategies are working in practice.

Money Wise UK has been developing this thinking through CRP® frameworks, practical governance work, insights and educational content. The aim is not to prescribe one retirement solution. It is to help financial planning firms create a repeatable process that supports better conversations and better outcomes.

Retirement should still be something to look forward to. Good planning is about creating the confidence and flexibility to enjoy it.

Research base and how we help

Key research used in this guide

- Standard Life Centre for the Future of Retirement, Retirement Voice 2026, October 2026.
- Pensions Policy Institute, A 50 Year Retrospective, November 2024.
- AKG / Defaqto, Seeing the Bigger Picture: The Evolution of CRPs, September 2026.
- Aspen Advisers and Money Wise UK, Reimagining Retirement Income: Building Robust Centralised Retirement Propositions (CRPs®) for a New Era.
- Money Wise UK insights, podcast discussions and practical CRP / Consumer Duty work with financial planning firms.

How Money Wise UK helps

- Centralised Retirement Proposition - CRP® frameworks, templates and tools.
- Consumer Duty management information and outcome reporting.
- Fair Value assessments and service proposition reviews.
- Centralised Investment Proposition and investment committee governance.
- Vulnerability, client understanding and consumer support journeys.
- Compliance, operations, marketing, AI workflow and client communication support.

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