



SUCCESSION  
WEALTH

YOUR GUIDE

# Planning for later life – building financial security and peace of mind

Helping you navigate life's financial decisions



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# What might later life look like?

When you think about your future, it's natural to focus on the years just ahead, perhaps what life might look like in five or ten years' time. But later life can span decades, and it often brings changes that are harder to predict.

Retirement is no longer a short, defined phase. It's a significant chapter of life, shaped by evolving priorities, health, family circumstances and lifestyle choices. What matters to you today may look very different in the years ahead.

Taking the time to think about what you want your later years to look like, and how you would like to live, can help you feel more prepared when thinking about the years ahead. Planning ahead isn't just about finances. It's about creating the freedom and confidence to make choices that are right for you, both now and in the future.



# We're living longer, and that changes everything

One of the most important shifts in recent decades is how much longer people are living.

Advances in healthcare and living standards mean many of us can expect to spend far longer in retirement than previous generations.

This is something to celebrate. But it also brings new challenges. Living longer means your money may need to last longer too, potentially 25 or even 30 years beyond your working life.

Planning with this in mind is essential. Retirement isn't just about reaching a point in time, but about sustaining your lifestyle in retirement, including the later years when your needs may change.

## Living longer than previous generations

The UK population is ageing steadily. 2025 UK Parliament research notes that the over-65s are projected to make up a quarter of the population by 2050\*.

The number of people aged over 90 is growing too, as well as the number of centenarians.

Many people today can expect to live 20–30 years in retirement. While life expectancy varies, it's increasingly common for retirement to last as long as a full working career.

\*<https://commonslibrary.parliament.uk/research-briefings/cbp-10338>



# Making your money last

For many people, retirement planning starts with a pension. Pensions remain one of the most tax-efficient ways to save for the future, and they often form the foundation of a retirement income.

However, the way pensions are used has changed. With greater flexibility comes greater responsibility. Rather than receiving a fixed income for life, many people now need to decide how and when to draw from their pension savings.

This introduces an important question: how do you make sure your money lasts?

The answer depends on a number of factors, including how long you live, how your investments perform, and how your spending changes over time. Taking too much too soon can put pressure on your future income, while being too cautious may limit your lifestyle unnecessarily.

Creating a plan that balances flexibility with long-term sustainability can help you feel more confident about the years ahead.

## What will the State Pension provide?

The State Pension forms a foundation of retirement income for many people. The amount you receive depends on your National Insurance record.

It increases each year, helping to support your spending power. However, for most people, it is unlikely to be enough on its own to maintain their desired lifestyle in retirement.

You can check your forecast using the Government's State Pension service.

[www.gov.uk/check-state-pension](https://www.gov.uk/check-state-pension)

# Ways to take an income from your pension

There are different ways to access your pension in retirement. The right approach will depend on your circumstances, your goals and how much flexibility or certainty you need.

## Annuity

- Provides a guaranteed income for life, giving certainty and peace of mind.
- Some options allow your income to increase over time, for example in line with inflation.

## Flexi-access drawdown

- Allows you to take an income while keeping the remainder of your pension invested.
- This offers flexibility and the potential for growth, but your income is not guaranteed and can rise or fall over time.

## Taking lump sums

- You can take money from your pension as and when you need it. This can provide flexibility, but it's important to consider how this affects your long-term income and any tax implications.
- In practice, many people use a combination of these approaches. Some people find it helpful to set out a plan to support both current and longer-term decisions.

# It's not just your pension

While pensions are central to retirement planning, they are rarely the whole picture. Many people have built up wealth in different ways over their lifetime, and these assets can all play a role in supporting financial security.

**Savings**, for example, can provide flexibility and reassurance, particularly for unexpected costs.

**Investments** held outside of a pension may offer additional income or growth potential, although they can rise and fall in value.

**Property** is often one of the most significant assets people hold. Whether through downsizing, releasing equity, or simply as part of a broader plan, it may contribute to how you fund your later years.

Bringing these different elements together into a coherent plan can help ensure your resources are working effectively for you, rather than being viewed in isolation.



# The impact of inflation

One of the biggest risks to long-term financial security is inflation – the gradual rise in the cost of living over time.

While it may seem manageable from year to year, over a long retirement its impact can be significant. What feels like a comfortable level of income today may not stretch as far in the future.

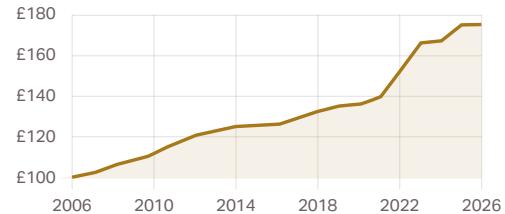
This is why it's important to think not just about generating an income, but about maintaining its value in real terms. Factoring inflation into your planning can help protect your spending power and avoid unexpected shortfalls later in life.

## Inflation reality

Even modest inflation can have a significant impact over a long retirement.

The income needed to maintain a comfortable lifestyle can increase substantially over 20–30 years. For example, the Bank of England's inflation calculator shows that between 2006 and 2026, prices have increased by 75.1% overall. You would need £175.10 in 2026 to have the same purchasing power as £100 in 2006.

### Value of £100.00 from February 2006 to February 2026



[www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator](https://www.bankofengland.co.uk/monetary-policy/inflation/inflation-calculator)

# Why care needs to be part of the conversation

It's not always easy to think about needing care in later life.

However, as life expectancy increases, more people will require some level of support, whether that's occasional help at home or more structured care.

For some, this support may come from family. For others, it may involve professional care services. In many cases, individuals are responsible for funding at least part of these costs themselves.

Care can be expensive, and it often arises at a time when flexibility is reduced. Thinking about it in advance can make a significant difference, not just financially, but emotionally too.

Having a plan in place can help reduce uncertainty, support better decision-making, and ease the burden on loved ones. It allows you to approach the future with greater clarity and confidence, even when circumstances change.

## The cost of care

Care costs can run into tens of thousands of pounds per year, depending on the level of support required. Without planning, these costs may need to be met from savings, investments, or property. Considering this early allows you to prepare and avoid difficult decisions later.

## Planning ahead gives you more choice

One of the key benefits of planning for later life, including potential care needs, is the greater sense of choice it can provide.

Setting aside resources or building flexibility into your financial plan means you are more likely to have options available to you if and when you need them. This might include where you receive care, the type of support you choose, or how your lifestyle adapts over time.

Without a plan, decisions may need to be made more quickly and with fewer options available. Taking a proactive approach can help ensure those decisions remain aligned with your preferences and priorities.

Just as importantly, planning ahead can provide reassurance, allowing you to focus on enjoying your life now, knowing that you have considered what lies ahead.

## Bringing it all together

Later life planning is about more than numbers. It's about understanding how your needs and priorities may change, and making sure your finances can support that.

There is no single approach that works for everyone. The right plan reflects your goals, your family, and what matters most to you. Starting the conversation early, and revisiting it over time, can make all the difference. With a clear plan in place, you can approach the future with greater confidence and peace of mind.

Some people find it helpful to talk things through or sense-check their plans. If you'd like to do that, you can contact us using the details below.



**0808 253 2117**



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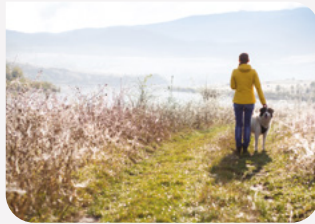


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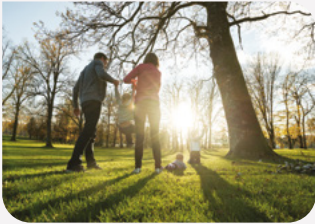
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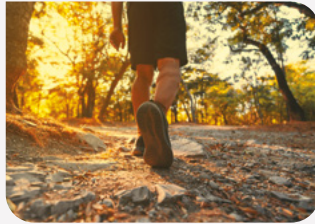
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