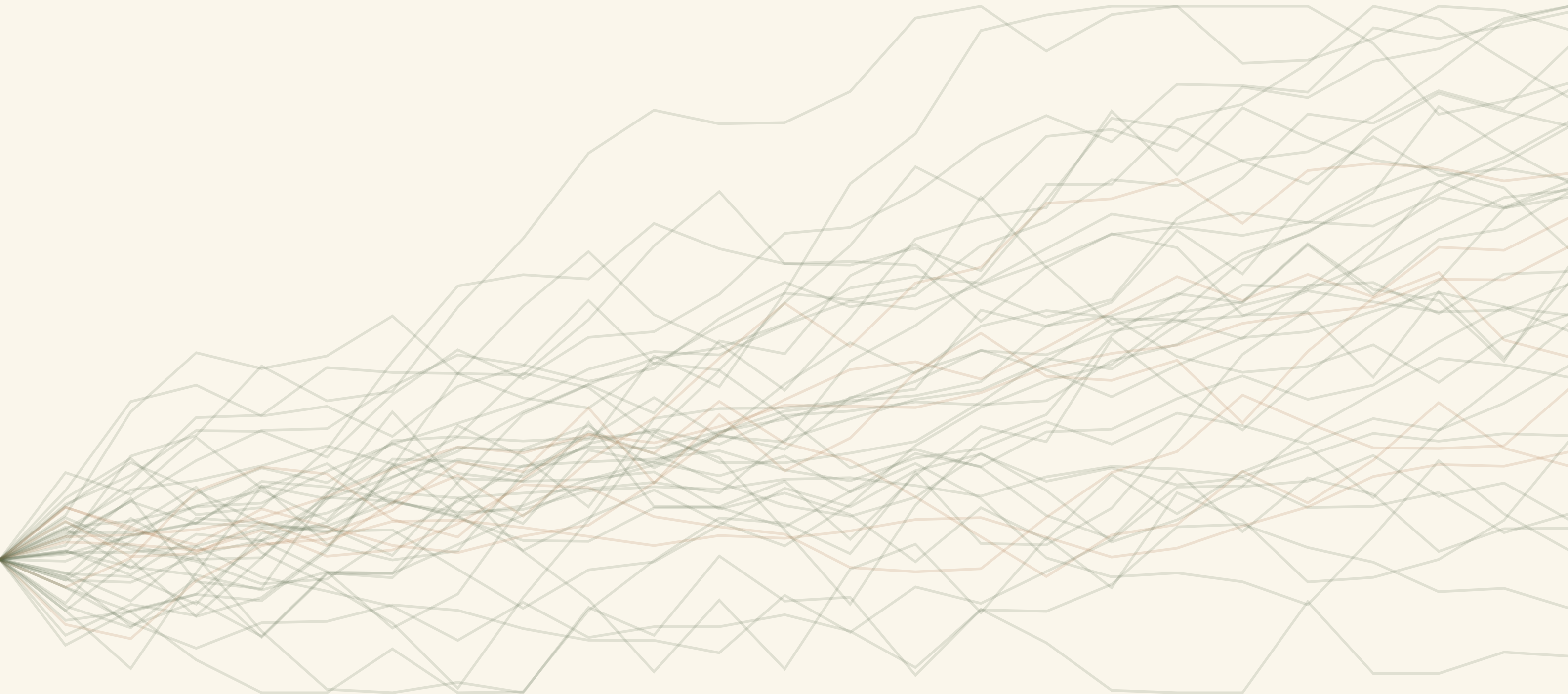
Your Future Compass

RETIREMENT GUIDE

Can I afford to retire at 60?

Retiring at 60 comes down to three numbers (what you've saved, what you'll spend, and what's already guaranteed) and one gap: the years before the State Pension starts at 67. Here's how to think it through, and the levers that move the answer.



Guidance and illustrations only, not regulated financial advice. Figures are illustrations, not forecasts. Tax rules change and depend on your circumstances. For free impartial guidance see MoneyHelper, or Pension Wise if you are 50 or over.

UPDATED 2026-07-14
UK TAX YEAR 2026/27

Can I afford to retire at 60?

> **Guidance and illustrations only, not regulated financial advice.** This guide explains, in general terms, how to think about whether you can afford to retire at 60. It isn't a recommendation about what *you* should do, because the answer depends entirely on your own circumstances. Consider a free Pension Wise appointment or a qualified, regulated financial adviser before making a decision.

"Can I afford to retire at 60?" is one of the most-searched retirement questions in the UK, and the honest answer is that **there's no single magic number.** Retiring at 60 isn't about hitting a headline pot size you read about online. It's about whether the income you can generate (from your pensions, savings and anything guaranteed) can **cover your spending for the rest of your life**, including the stretch before the State Pension starts. This guide walks through how to work that out.

Why 60 is a specific kind of question

Two things make retiring at 60 different from retiring at, say, 67:

- **You can usually access a defined-contribution pension from 55** (rising to **57 from April 2028**), so at 60 your own pots are available to you. A *defined-contribution* pension is a pot of money you've built up, as opposed to a *defined-benefit* (final-salary) pension, which promises a set income.
- **The State Pension doesn't start until 66–67** (67 for anyone retiring in the next few years). So from 60 there's a **gap of roughly seven years** that you have to fund entirely yourself, before that guaranteed income kicks in.

That gap is the crux of the whole question. Retiring at 60 means your pots do the heavy lifting for longer, and start doing it earlier.

The three numbers that decide it

Strip away the noise and it comes down to three figures:

1. **What you've got**: the total of your pensions (defined-contribution pots), ISAs (Individual Savings Accounts, tax-free savings and investment accounts) and other savings.
2. **What you'll spend**: a realistic estimate of your annual spending in retirement, in today's money.
3. **What's already guaranteed**: the State Pension (once it starts) and any defined-benefit / final-salary pension income, which arrives regardless of markets.

The question "can I afford to retire at 60?" is really: *do numbers 1 and 3, together, comfortably cover number 2, for as long as you might live?*

The State Pension gap: the years you fund alone

From 60 to State Pension age (67), the guaranteed income most people rely on later simply **isn't there yet.** Your own pots have to cover your **full** spending across those years, then a **reduced** amount once the State Pension starts to help.

It's worth checking exactly what you'll get and when. A full new State Pension is currently around £12,000 a year, but only if you have enough qualifying National Insurance years. Check your forecast at gov.uk/check-state-pension. Bringing the State Pension in at the right age (not too early in your plan) matters, because it changes how hard your pots have to work in the bridge years. If your forecast is short of the full amount, filling gaps in your record can be one of the better-value things you do: the State Pension explained covers qualifying years, topping up and deferring.

How long does the money have to last?

The uncomfortable truth behind “retire at 60” is **longevity.** A 60-year-old in the UK has a good likelihood of living into their late 80s or beyond, so a plan that starts at 60 may need to last **30 years or more.** The earlier you stop, the longer the pot has to stretch and the fewer years you have to build it, which is exactly why 60 is more demanding than 67.

The risk that catches people out

Even if the averages look fine, **the order returns arrive in matters enormously** in the early years. Drawing an income from a pot that has just fallen (selling investments while they’re down) does far more lasting damage than the same fall later on. This is called **sequence-of-returns risk**, and it’s at its most dangerous in the first few years of retirement. It’s the reason a plan that “works on average” can still run into trouble, and the reason a single “you’ll have £X” projection can be misleading. Retiring at 60 lengthens exactly the window where this bites, so it deserves a proper look: why the order of returns matters.

If the answer is “not quite”: the four levers

If a first look suggests 60 is a stretch, you’re not stuck with a yes/no. Four levers move the answer, and small changes to each can add up:

None of these is a recommendation, and which one moves your own answer most depends on your figures:

- **Retiring a little later.** Even one or two more years does three things at once: more saving, more growth, and fewer years to fund. The cost is the years themselves.
- **Spending a little less.** A lower annual figure, especially in the early bridge years, reduces the pressure on the pot. The cost is the lifestyle the plan was built around.
- **Paying in more now.** Extra contributions in the run-up often attract tax relief and any employer match. The cost is money you cannot spend or access until the pension can be drawn.
- **Bridging with part-time work.** Earning even a modest amount for the first few years reduces how much comes from the pot while it’s most exposed to sequence risk. Not everyone has the choice.

Why one average isn’t enough

Because so much depends on markets, inflation and how long you live, a single average return can’t settle “can I afford to retire at 60?” A better question is: *across many possible futures, in what share of them does the money last?* That’s what **scenario modelling** does. It runs your plan across thousands of market paths (good runs, weak runs and real crashes) and reports a **success rate**: the share of those modelled futures in which the money lasts the full plan. That’s a property of the model, not a forecast of your life, and it does not give a false certainty. What it does show is how much margin the plan has, and how much each lever moves that share.

See it on your own numbers

You can work out the earliest age your own pots could realistically support with a planning tool that takes your pensions, savings, spending and the State Pension, models the bridge years, and shows the earliest age at which the money is likely to last, for you or for you and a partner. It’s an illustration to help you think it through, not a recommendation. For free, impartial guidance, the government’s Pension Wise service offers a free appointment if you’re over 50, and MoneyHelper has more on retirement options.

Quick checklist

1. **Add up your pots**: pensions, ISAs and other savings.
2. **Estimate your annual spending** in retirement, in today's money, being honest about the active early years.
3. **Check your State Pension** forecast and age at gov.uk/check-state-pension.
4. **Map the bridge**: how your pots cover the full cost from 60 until the State Pension helps.
5. **Pressure-test it** across many scenarios, not one average, and see how much margin you have.
6. **Pull the levers** if it's tight: a later date, lower spending, more saving, or a part-time bridge.

Retiring at 60 is achievable for many people, but it's a question you answer with *your* numbers, not a headline figure. Start from your spending, map the years before the State Pension, and test how the plan looks across the futures you might actually live through.

This guide is general information, not regulated financial or tax advice. Pension and tax rules change and depend on your circumstances, so consider a Pension Wise appointment or regulated advice before acting.

See it for your own numbers.

Build a free plan at **yourfuturecompass.co.uk/app**