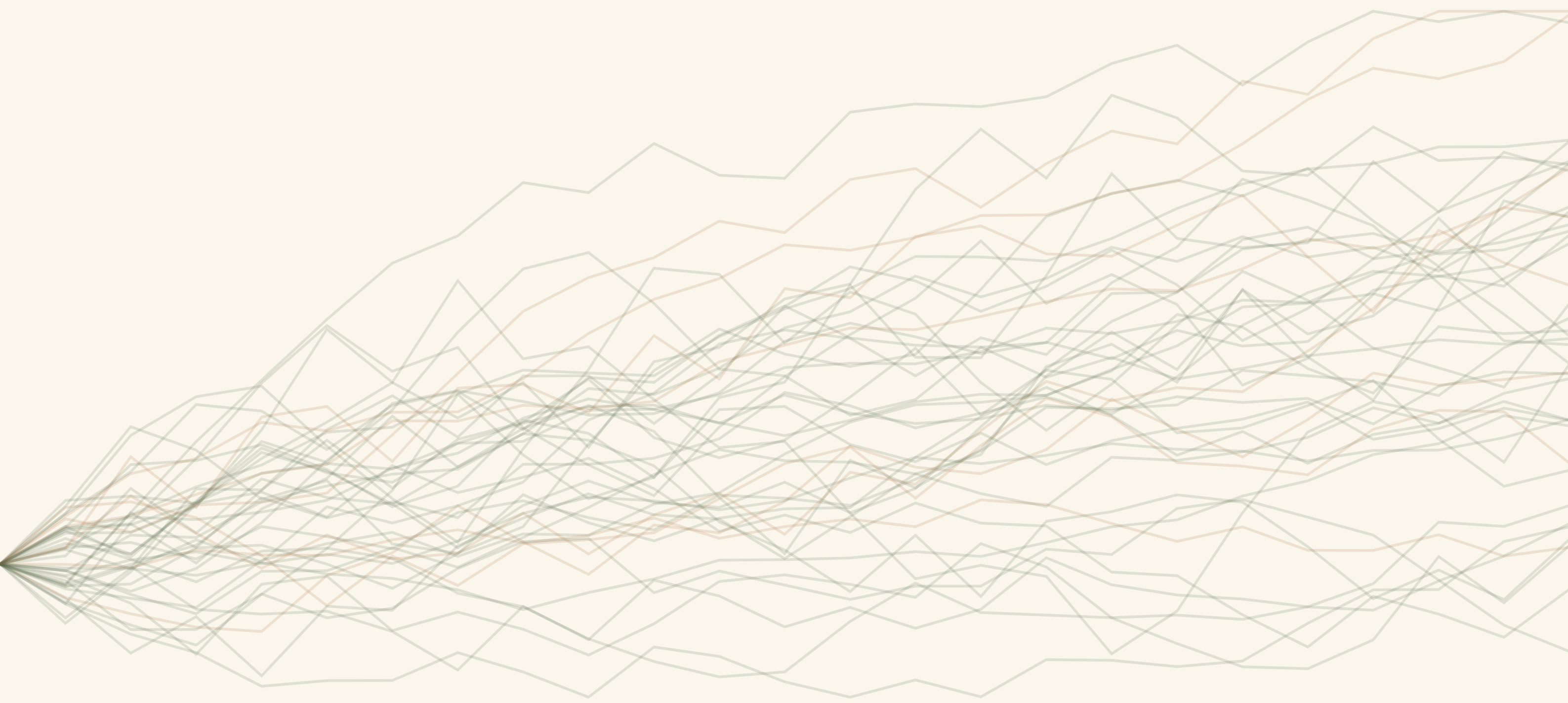
Your Future Compass

RETIREMENT GUIDE

How long will £500,000 last in retirement?

There's no single answer. £500k might last 20 years or 40+, depending on your spending, other income like the State Pension, and the order markets move in. Here's what drives it, and how to see your own figure.



UPDATED 2026-06-18
UK TAX YEAR 2026/27

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.

How long will £500,000 last in retirement?

Guidance and illustrations only, not regulated financial advice. The figures here are illustrative. Your own outcome depends on your circumstances; consider speaking to a qualified, regulated financial adviser before acting.

The honest answer: it depends

"How long will £500,000 last?" is one of the most-searched retirement questions, and the honest answer is that there's **no single number**. The same pot could comfortably last 40 years for one person and run short in 18 for another. Three things drive the difference.

1. How much you spend

This is the biggest lever. As a rough illustration, ignoring growth and tax:

- Spending **£20,000 a year** from £500k → ~**25 years** before the pot alone is gone.
- Spending **£30,000 a year** → ~**17 years**.
- Spending **£40,000 a year** → ~**12 years**.

In reality your pot keeps growing while you draw from it, which extends those numbers, but it shows how sensitive the answer is to spending.

2. Your other income

£500k rarely stands alone. The **State Pension** (a meaningful guaranteed income from your late 60s), any **defined-benefit (final salary) pension**, and other income all reduce how much you need to draw from the pot, often dramatically. A couple with two State Pensions may only need to top up modestly from savings.

3. The timing of returns: "sequence of returns"

Two retirees with identical pots, spending and average returns can get very different outcomes if the **order** of those returns differs. A bad run **early** in retirement (while the pot is large and you're drawing from it) does far more damage than the same run later. This is **sequence-of- returns risk**, and it's why a simple "average return" sum can mislead. It's worth understanding properly if you are drawing an income, because it's the one risk that can undo an otherwise sensible plan: why the order of returns matters works through it with the arithmetic.

A better way to think about it: success rate

Rather than a single "it lasts X years," it's more useful to ask: *across many possible market outcomes, in what share of them does my money last the whole plan?* That share, a **success rate**, captures the uncertainty that a single number hides. Modelling thousands of scenarios gives you a realistic picture instead of a false precision.

See your own number

Your spending, your other income, and your time horizon are personal, so the only figure that matters is **yours**. If you are working out a whole plan rather than testing one pot, the step-by-step UK retirement planning guide covers it end to end. Our free tool models £500k (or any pot) across thousands of market scenarios, alongside your State Pension and other income, and shows the proportion of those scenarios in which it lasts your whole plan.

For free, impartial guidance, the government's MoneyHelper service covers retirement options, and over-50s can book a free Pension Wise appointment.

This guide is general information, not regulated financial or tax advice. The right figure depends on your circumstances, and pension and tax rules change, 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**