RETIRE GEN X

Our Retirement Planning Journey

How one question led to pensions, mortgages, ISAs, tax, annuities... and thirty-seven versions of a spreadsheet.

Us, near the beginning.

Still us. Still making plans.

Find it • Understand it • Model it • Challenge it • Live it

Because apparently, it's our turn.

IMPORTANT

This is our experience, not financial advice. Personal figures are removed or generalised. Pension, tax and access rules change, and your circumstances will be different.

Before the spreadsheets, there was a life.

Karen and I got together in 1999. We had plans, adventures and absolutely no idea how quickly the next couple of decades would fill themselves.

1999 - before retirement planning was remotely interesting.

Then came marriage, careers and a very full life.

Then life got busy.

Two became four. Careers, kids, mortgages, school runs and family holidays took over. Retirement was somewhere in the distance - important in theory, but rarely the thing demanding attention on a Tuesday night.

One.

Then two.

We didn't stop living while we raised a family. Life simply changed shape. And then, almost without noticing, the kids became more independent and the question changed again: **what do we want the next chapter to look like?**

And then the world stopped for a bit.

Lockdown was another reminder that plans are useful, but life has a habit of ignoring them. Home became school, office, gym and pretty much everything else.

School, from the sofa.

The home gym era.

Getting out when we could.

And keeping hold of the good bits.

That is really what RetireGenX is about. The money matters because the life matters. We are not trying to win retirement by dying with the biggest spreadsheet. We are trying to understand our choices well enough to make the next set of photographs possible.

A note from Mike

I just wanted to understand our retirement. I'm Mike. I'm 53. I didn't set out to become an expert on pensions - and I'm definitely not one.

I simply reached the point where retirement stopped feeling like something that happened to other people. I wanted to know when my wife and I might realistically stop working, what sort of life we could afford, and whether all the bits of money we'd accumulated actually fitted together.

That sounded simple. It wasn't. We went from finding old pensions to modelling the mortgage, comparing guaranteed income with invested money, learning about tax-free pension cash, ISAs, State Pensions, survivor income, annuities and tax - and changing our minds several times.

The biggest thing we gained wasn't a number. It was understanding our choices.

1. First, find out what you've actually got

I've had fourteen jobs dating back to the late 1980s. For some of them I had absolutely no idea whether I'd even had a pension. So the plan started with retirement archaeology: old employers, statements, providers and an inventory.

Some pensions were invested pots. One promised a small guaranteed income for life. Karen had a salary-based pension with its own rules. Then there were State Pensions, starting later again.

What we learned: don't start by asking whether you have enough. Start by finding everything.

2. Not all pensions are the same

Defined contribution. Defined benefit. Crystallisation. Drawdown. PCLS. The language can make normal people leave the room.

We found it easier to think in plain English: **pension pots** are invested money with choices; **guaranteed or salary-based pensions** promise an income under scheme rules; **State Pension** is another future income stream starting at another point in the timeline.

What we learned: before combining, transferring or taking anything, understand what you could be giving up.

3. Then the mortgage joined the party

We had an offset mortgage, so the cash in the offset was already reducing the amount on which we paid interest. At first, using tax-free pension cash to clear the mortgage sounded obvious.

Then we tested alternatives: pay earlier, wait for the fixed deal to end, use more pension, or let the offset do more of the work and use pension money only for the remaining gap.

The better question became: **how much do we actually need for the job we're trying to do?** Tax-free does not automatically mean best.

4. Everything affects everything else

This was the breakthrough. Pay off the mortgage and we need less monthly income. Need less income and retirement may become possible earlier. Add guaranteed income and it sounds safer - until later pensions arrive and create taxable income we don't actually need.

We stopped trying to optimise each pension individually. We started looking at the household: mortgage, pensions, savings, ISAs, future guaranteed income, State Pensions and spending on one timeline.

The question that kept coming back: if I change this decision, what does it do somewhere else?

5. Tax changed the plan more than expected

Pension income is generally taxable. ISA withdrawals are generally tax-free. Some pension cash may be available tax-free within the rules. Guaranteed pensions and State Pension add taxable income later.

That made the order in which we used different pots matter. The lesson wasn't to memorise today's tax thresholds years in advance. It was to build tax into the model and check the real rules again when decisions need to be made.

6. ISAs suddenly made more sense

We stopped asking 'pension or ISA?' as though one had to win. They can do different jobs. Accessible, tax-free savings can be especially useful in the years before all guaranteed income starts.

Our plan eventually redirected money that had been going towards the mortgage into ISAs once the mortgage was gone, and explored a mix of cash and stocks & shares rather than pretending there was one perfect home for every pound.

7. Guaranteed income sounded brilliant - until we priced it

An annuity appealed immediately: hand over pension money and receive an income for life. Certainty. Then we looked at joint life, survivor benefits, increases, health, timing and how much capital we'd give up.

We tried a big annuity. We tried a smaller one. We changed our minds. The useful question became: **how much guaranteed income would actually be useful alongside everything else?**

Annuity rates depend on age, health, options and market conditions. A quote years before retirement is an assumption, not a promise.

8. A small old pension taught us a big lesson

One pension we'd almost forgotten was small compared with the main pots but promised guaranteed income for life. It paid more if I waited, so waiting looked obviously better.

Except later was also when more taxable guaranteed household income would arrive. A smaller income earlier could potentially be more useful.

Bigger isn't always better. Timing, tax, survivor benefits and what the household needs all matter.

9. Retirement isn't one date

We had imagined retirement as a line in the diary: working on one side, retired on the other. Our finances didn't work like that.

There was a mortgage phase, a mortgage-free saving phase, stopping work, bridge years before some guaranteed pensions began, one State Pension, then the other. Each handover changed what we needed from flexible pots.

Once we saw retirement as a series of phases, the plan became much easier to understand.

10. Then we tried to break the plan

A spreadsheet can be dangerously reassuring. Give it a growth rate and enough years and almost anything can look beautifully smooth. Real life isn't.

We tested awkward scenarios: work ending early, bad markets, worse annuity rates, higher spending and one partner surviving the other. We also found errors in earlier spreadsheet versions.

Rule we now live by: be especially suspicious of a spreadsheet when it gives you exactly the answer you were hoping for.

11. One assumption can move the whole plan

A mathematically neat plan can still fail if a real-world rule has been misunderstood. Before building a plan around a pension event, verify the access age, scheme rules, protected benefits and what the provider actually allows.

Rules change. Provider-specific features matter. A spreadsheet is a model, not permission from the pension scheme.

12. Thirty-seven spreadsheets later...

The final spreadsheet looked almost nothing like version one. We changed our minds about the mortgage, pension timing, annuities and ISAs. We built tax and survivor thinking into the plan, separated retirement into phases and started reforecasting from actual balances.

At the beginning I wanted the spreadsheet to tell me the answer. By the end I wanted it to show us the choices, trade-offs and things that could knock the plan off course.

We weren't just planning a retirement. We were building a picture of the next thirty years.

What we'd tell ourselves at the start

Ten things we learned the long way round.

1. Find everything first - old pensions, guaranteed pensions, State Pension forecasts, savings, debts and the mortgage.

2. Use normal language - understand what each pension actually does before worrying about acronyms.

3. Look at the household - the best decision for one pension may not be best for the household.

4. Timing matters - when income arrives can matter as much as how large it is.

5. Tax belongs in the model - think about the mix of taxable and tax-free income.

6. Accessible savings have a job - ISAs can provide flexibility alongside pensions.

7. Guaranteed income is a tool - more certainty is not automatically better if it removes useful flexibility.

8. Plan the handovers - retirement is a sequence of phases, not a single date.

9. Try to break your own plan - test bad markets, earlier retirement, higher spending and survivor scenarios.

10. Keep checking reality - rules change, balances change and life changes.

Your turn

You don't need the answer yet. You need the right questions.

1. How many pensions do I actually have - including old jobs I've almost forgotten?

2. Which are pension pots, and which promise a guaranteed income?

3. What age can I take each one, and what changes if I take it earlier or later?

4. What will our mortgage or housing costs look like when we want to stop working?

5. What do we actually spend now - and what might genuinely change in retirement?

6. When will each person's State Pension start?

7. How much accessible, tax-free savings do we have outside pensions?

8. What happens to household income if one of us dies first?

9. What would happen if work ended earlier than planned?

10. Which assumptions would hurt most if they turned out to be wrong?

USE OFFICIAL SOURCES FOR THE REAL RULES

Use MoneyHelper / Pension Wise, GOV.UK and your own pension providers to verify current rules, access ages, charges, guarantees, survivor benefits and retirement options. For a personal recommendation, use an FCA-regulated adviser.

Want the longer version?

This guide *is* our longer version: the questions we asked, the things we got wrong, the assumptions we challenged and the lessons that changed our plan. Your numbers won't be ours. Your priorities won't be ours. But quite a few of the questions probably will be.

RetireGenX.co.uk
Figuring out retirement, one honest question at a time.

Because apparently, it's our turn.