

FreeBefore65 - Early Retirement Budget Tracker

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How this tracker works

Most budget tools are built for people saving for a house deposit. This one is built for people planning to stop working in their 50s. The key insight is that your working-life budget is not your retired-life budget. A significant chunk of current spending is work-generated and disappears the day you stop. This tracker shows you all three phases side by side so you can see exactly what changes and when.

Column A: Current Working Life

What you spend and earn right now. Be honest. Include everything - National Insurance, pension contributions, the commute, the mortgage. This is your baseline.

Column B: The Gap Years (Age 55–67)

No salary. No State Pension yet. You're living on ISAs, savings and early pension drawdown. This is the phase most early retirement planning gets wrong - model it specifically.

Column C: Full Retirement (67+)

State Pension arrives (£12,548 in 2026/27) and shares the heavy lifting. Pressure on the pot reduces significantly. This phase should feel more comfortable than the Gap Years.

Four steps

Step 1: Timeline Budget

In the Timeline Budget tab, enter your current spending in Column A. Then work across to Columns B and C - marking what drops off, what stays and what goes up. The tab calculates your monthly cost for each life phase automatically.

Step 2: The 40-Hour Plan

In the 40-Hour Plan tab, allocate your newly freed time across four categories; Health, Mental Engagement, Social Connection, and Leisure. Assign a monthly budget to each. This is the anti-void strategy: a retirement that is purposefully occupied, not just funded.

Step 3: Your Enough Number

The Enough Number tab takes your Column B monthly spend, calculates your annual need and works out the pot size required at different withdrawal rates. Enter your current assets to see the gap or surplus.

Step 4: Use real bank statements

Memory underestimates spending. Pull three months of real statements for Column A. The gap between what you think you spend and what you actually spend is often significant — and almost always in the same direction.

PLSA Retirement Living Standards 2026 (single person)

Minimum: £13,400/yr	Covers all needs, a little left over
Moderate: £31,300/yr	More security and flexibility
Comfortable: £43,100/yr	More financial freedom and some luxuries

DISCLAIMER: Tony is not a financial adviser. This tracker is for your own planning purposes only. The Enough Number calculations use commonly used rules of thumb but they are illustrative starting points, not guarantees. Always take regulated independent advice before making significant financial decisions.

[FreeBefore65.co.uk](https://freebefore65.co.uk)

FreeBefore65 - Timeline Budget

Compare your spending across all three life phases. Column A = now. Column B = Gap Years (no salary, no State Pension). Column C = Full Retirement (67+, State Pension arrives).

Category	A: Working Life (now)	B: Gap Years (55-67)	C: Full Retirement (67+)	Notes
	Monthly (£)	Monthly (£)	Monthly (£)	
INCOME				
Take-home salary (after tax + NI)		-	-	Enter net monthly pay
Partner's take-home (if applicable)				
State Pension — you		-		Blank until 67. £12,548/yr = £1,046/mo
State Pension — partner (if applicable)		-		
DB pension income (if applicable)				Enter when payable
Rental / dividend income				
Part-time / consultancy				Gap years only if applicable
Subtotal: INCOME	-	-	-	

FIXED COSTS THAT DISAPPEAR ✓				
Mortgage payment		-	-	Enters zero in retirement if cleared
National Insurance contributions		-	-	Stops when you stop working
Workplace pension contributions		-	-	Drawing down now, not contributing
Commuting — train / fuel / parking		-	-	Disappears entirely
Work clothing and dry cleaning		-	-	Disappears
Bought lunches and work coffees		-	-	Disappears
Hotel stays (not covered by employer)		-	-	Disappears
Convenience food (exhaustion-driven)		-	-	Thursday evening syndrome i.e. disappears
Childcare (work-related)		-	-	If applicable i.e. disappears
Professional subscriptions (work only)		-	-	Disappears
Subtotal: FIXED COSTS THAT DISAPPEAR ✓	-	-	-	

FIXED COSTS THAT STAY				
Council tax				Single person 25% discount may apply in retirement
Gas and electricity				May increase — you're home more. Add 10-15% for Col B/C
Water rates				
Home insurance (buildings + contents)				
Life / critical illness insurance				May reduce or end
Broadband and phone				
Mobile phones				
TV licence				Free at 75+ if on Pension Credit
Car insurance				May reduce — fewer miles
Car tax (VED)				
Other subscriptions				Netflix, Spotify, Sky, gym etc.
Subtotal: FIXED COSTS THAT STAY	-	-	-	

VARIABLE COSTS				
Groceries				May increase i.e. more meals at home
Fuel / petrol				Likely falls i.e. no commuting
Household maintenance and repairs				May increase i.e. more time at home

Clothing (non-work)				
Healthcare — prescriptions, dental, optical				Free prescriptions from 60
Pet costs				
Subtotal — VARIABLE COSTS	-	-	-	

LIFESTYLE: off-peak pricing helps in retirement

Eating out				Off-peak midweek pricing reduces cost
Entertainment (theatre, concerts, events)				Midweek tickets significantly cheaper
Hobbies and sports				More time i.e. may increase
Holidays and travel				Off-peak travel = same trips, less money
Gifts and celebrations				Annual total ÷ 12
Charitable giving				
Subtotal: LIFESTYLE	-	-	-	

ANNUAL ONE-OFFS (annual estimate ÷ 12)

Car maintenance and MOT				
Home projects and improvements				May increase i.e. more time, more awareness
Christmas and annual events				Annual ÷ 12
Annual subscriptions				Review each one
Subtotal: ANNUAL ONE-OFFS	-	-	-	

PRIVATE INSURANCE (replacing employer cover)

Private medical insurance				Add in Col B when/if employer cover ends
Income protection / life cover				Review need in retirement
Subtotal: PRIVATE INSURANCE	-	-	-	

TOTAL MONTHLY SPENDING	-	-	-	← Blue cells = your input. Grey = auto-calculated.
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ANNUAL SUMMARY

Annual spending: Working Life	-		
Annual spending: Gap Years	-		
Annual spending: Full Retirement	-		

PLSA benchmarks 2026 (single person): Minimum £13,400/yr | Moderate £31,300/yr | Comfortable £43,100/yr | Couple Moderate £43,100/yr | Couple Comfortable £59,000/yr

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FreeBefore65 - The 40-Hour Plan

A funded retirement isn't enough on its own. It needs to be purposefully occupied. Allocate your 40 freed hours across four categories. Assign a monthly budget to each.

Category / Activity	Target hrs/week	Monthly budget (£)	Specific plans / notes
HEALTH & MOVEMENT (target: 10 hrs/week)			
Daily walking			Ramblers groups, local routes
Gym / fitness classes			Senior rates often available
Cycling			
Swimming			
Other sport or activity			Golf, tennis, yoga etc.
Subtotal		-	

MENTAL ENGAGEMENT (target: 10 hrs/week)			
Reading			Library membership is free
Learning — language, course, skills			Duolingo free; Open University; evening classes
Volunteering			Skilled volunteering i.e. Reach Volunteering
Writing / creative projects			This site started as exactly this
U3A or learning groups			university-of-the-third-age.org.uk
Subtotal		-	

SOCIAL CONNECTION (target: 10 hrs/week)			
Friends - regular meetups			You lose the work social circle — replace it
Family - visits and time together			
Clubs or groups			Walking, choir, book club, creative group
Community / voluntary work			Citizens Advice, NHS volunteers, National Trust
Other social activity			
Subtotal		-	

LEISURE & REST (target: 10 hrs/week)			
Concerts, theatre, cinema			Tuesday evening tickets now possible
Hobbies and creative activity			Photography, music, art, woodwork
TV and streaming			
Travel and day trips			Off-peak pricing i.e. same experience, lower cost
Rest and pottering			Permission to do nothing is part of this
Subtotal		-	

TOTALS		-	Target: 40 hours/week total. Budget feeds into Your Enough Number.
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FreeBefore65 - Your Enough Number

Calculates the pot size needed to fund your Gap Years. Figures pull automatically from the Timeline Budget and 40-Hour Plan tabs.

PART 1 — YOUR GAP YEARS ANNUAL INCOME NEED

Monthly spending: Gap Years (from Timeline Budget)		- Pulled automatically from Column B total
Monthly spending: 40-Hour Plan budget		- Leisure and activity budget from the 40-Hour Plan
Total monthly need (Gap Years + activities)		- Combined monthly requirement
Annual income need		- Monthly × 12

PLSA BENCHMARKS (2026, single person)

Minimum lifestyle	£13,400	Covers all needs, little left over
Moderate lifestyle	£31,300	More security and flexibility
Comfortable lifestyle	£43,100	More freedom and some luxuries

PART 2 — THE ENOUGH NUMBER

Withdrawal rate (adjust to change the calculation)	3.5%	3.5% = prudent for 30+ year retirement. 4% = standard rule. Lower rate = larger pot required.
Enough Number at your chosen rate		- Annual need ÷ withdrawal rate
At 4% (standard Trinity Study rule)		- For comparison i.e. less conservative
At 3% (very conservative)		- For a 35-40 year retirement
YOUR ENOUGH NUMBER		- The pot you need — at your chosen withdrawal rate

PART 3 — YOUR CURRENT ASSETS (enter your figures in blue)

DC pension pot(s) — total		Defined contribution only — not DB
Stocks and Shares ISA		Current value
Cash ISA		Current value
Accessible savings (outside ISA)		Savings accounts, Premium Bonds etc.
Other investments (outside pension/ISA)		Shares, funds etc.
DB pension (annual income × 20 — rough proxy)		E.g. £5,000/yr DB = enter £100,000
TOTAL ASSETS		- Sum of all assets

PART 4 — STATE PENSION FLOOR

Your State Pension — annual (check at gov.uk)	£12,548	Full 2026/27 rate: £12,548. Enter your personal forecast.
Partner's State Pension (0 if not applicable)		- Enter 0 if not applicable
Combined annual State Pension	£12,548	Total guaranteed State Pension per year
Your current age		Enter your age
State Pension age	67	Currently 67. Rising to 68 between 2044-46.
Gap years remaining		Years before State Pension arrives
Gap years total cost		- Total spending needed before State Pension
Non-pension assets for bridge		- ISA + Cash ISA + Savings + Other (excludes pension + DB)
Annual need after State Pension arrives		- Income required on top of State Pension
Adjusted Enough Number (State Pension considered)		- Pot needed to cover income above the State Pension floor

PART 5 — THE GAP OR SURPLUS

Gap / Surplus (Total Assets minus Adjusted Enough Number)		- Positive = you have enough. Negative = gap to address.
Bridge covered by non-pension assets?		Can ISA/savings fund the gap years without touching the pension?
GAP / SURPLUS		- Positive = surplus. Negative = gap to plan for.

IMPORTANT: The Enough Number and withdrawal rate calculations are illustrations based on commonly used planning rules of thumb. They are not guarantees or projections. Actual outcomes depend on investment returns, inflation, life expectancy and many factors outside your control. The DB pension proxy ($\times 20$) is a rough estimate only. Always take regulated independent financial advice before making significant retirement decisions. Tony is not a financial adviser. freebefore65.co.uk

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