

Postponed – revisiting retirement



Thinking of postponing retirement – or returning to work if you’re already retired? You’re not alone. Many people who have reached traditional retirement age are currently in the work force.

How about a raise?

Continuing to work means continuing to receive a paycheck. Beyond that, it could have a positive effect on your future retirement income if it means you can afford to delay collecting Social Security. **For every year past full retirement age that you delay, up to age 70, your benefit amount will increase by 8%.** If you’re married, delaying can also increase spousal benefits. Keep in mind that if you’re already collecting Social Security benefits but haven’t reached your full retirement age, your benefit amount will be reduced once your earnings exceed the applicable annual limit.

Good news for your savings

Working longer may also allow you to postpone taking taxable withdrawals from your retirement accounts. In fact, you may be able to make additional pretax contributions. And, if you’re still working for the employer sponsoring your retirement plan and you are not a 5% owner of the company, you might be able to avoid taking required minimum distributions at age 72, giving your savings more time to potentially grow tax deferred.

Health and wellness

Health care can be one of your biggest retirement expenses, especially if you’re not covered by retiree health insurance and/or Medicare. Working longer may give you coverage through an employer’s health plan. You also may be able to take advantage of other benefits, such as dental and vision coverage or a health care flexible spending account.



If you have questions about your workplace retirement plan, please contact your Human Resources department or your retirement plan provider’s customer service center.