

# Gradual Retirement

*Not everyone retires the same way – or at the same pace.*

Provided by The William Newby Agency

**Are you in a hurry to retire?** Not everyone is rushing to that particular finish line. According to the 2018 retirement survey from the Transamerica Center for Retirement Studies, which gauges the outlook of American workers, 56% of those who describe themselves as “fully retired” did so before age 65, while another 14% said goodbye to the daily grind in the year they turned 65. But that still leaves a significant number – 30% of respondents – working beyond age 65, with some even indicating that they never “expect to stop working.”<sup>1</sup>

**Are financial needs shaping these responses?** For some, though not everyone. Those who retired after age 65 offered a wide range of responses. Forty-seven percent of respondents indicated that they wanted to remain “active” or that they “enjoy what [they] do.” But many indicated that they couldn’t afford to retire (24%), needed to maintain health benefits (12%), or simply wanted to continue making money (56%). That latter statistic may speak to a desire for more financial independence, or a hope to spend a few extra years in the workforce, so they can continue making contributions to retirement accounts.<sup>1</sup>

**“Retirement” and “work” are no longer mutually exclusive.** Whatever your reasons for not retiring at the earliest opportunity, the truth is that many people enjoy good health and vitality well into their seventh decade (and beyond) and see no reason to speed their way into that phase of their life.<sup>2</sup>

Social Security will eventually become a factor, whether you retire in your sixties or wait until after you turn 70. We are sometimes cautioned that working too much in retirement may result in our Social Security benefits being taxed. Your benefits stop accumulating at that age, as do delayed retirement credits. Delaying collecting benefits until age 70 does have one big plus: your monthly deposit will be 132% of the basic monthly benefit.<sup>2</sup>

**If you do want to make a gradual retirement transition, what might help you do it?** First of all, work on maintaining your health. The second priority: maintain and enhance your skill set, so that your prospects for employment in your sixties are not reduced by separation from the latest technologies. Keep networking. Think about Plan B: if you are unable to continue working in your chosen career, even part time, what prospects might you have for creating income through financial decisions, self-employment, or in other lines of work? How can you reduce your monthly expenses?

**Easing out of work & into retirement may be the new normal.** Pessimistic analysts contend that many Americans will not be able to keep working past 65, no matter their aspirations, and that 70 is out of the question. They may be right, and many will not be able to meet that goal.

That said, they may be wrong – you are part of an active, ambitious generation that has changed the world, so don't be surprised if you also help change the definition of retirement.<sup>3</sup>

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### *Citations*

- 1 - [transamericacenter.org/docs/default-source/retirees-survey/tcrs2018\\_sr\\_retirees\\_survey\\_financially\\_faring.pdf](https://transamericacenter.org/docs/default-source/retirees-survey/tcrs2018_sr_retirees_survey_financially_faring.pdf) [12/18]
- 2 - [thebalance.com/why-retire-at-70-2389048](https://thebalance.com/why-retire-at-70-2389048) [3/2/19]
- 3 - [cnbc.com/2018/10/03/david-bach-disagrees-that-70-is-the-new-retirement-age.html](https://cnbc.com/2018/10/03/david-bach-disagrees-that-70-is-the-new-retirement-age.html) [10/3/18]