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7 Reasons to Delay Retirement One More Year

Another year of work may produce a better retirement in the long run.

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EXITING YOUR career before the time is right can have a lasting negative impact on your retirement. Apprehensive workers unsure if it's time to retire can benefit from one more year of work. If there is any doubt about your ability to retire, consider working another year to solidify your exit plan and boost your finances.

Here is how working an extra year can improve your retirement:

- Make certain you're ready.
- Earn while you can.
- Reach a benefit threshold.
- Be certain you have enough money.
- Complete a meaningful project.
- Refine your retirement plans.
- Qualify for part-time flexibility.

Working for one more year may make it easier to transition into retirement. Use the extra time to address any financial shortfalls and make a plan for the future before calling it quits.

Make Certain You're Ready

Retiring from a career is generally a one-time event. However, many people who retire end up back in the workforce. More than half of retirees say they would like to return to work under the right conditions, according to a survey by RAND Corporation. If you like your job, there's nothing wrong with staying

where you are. A job you know and like is better than uncertainty at this stage of your career. One more year of work gives you more time to ponder your decision to leave and make sure you're entirely ready before following through.

Unable to Earn as Much in the Future

Retiring from a long career means leaving behind your hard-earned salary. You are likely at the peak of your earning potential. Returning as a consultant may be lucrative, but the hours and pay may be unsteady and variable. If you decide to go back to work after retirement, there's no guarantee you can receive an equivalent level of pay. Depending on how long you're away from the office, you may not command as much compensation because your knowledge and skills can quickly fall behind industry peers. Dedicate your final year in the workplace to maximizing your earnings and saving as much as you can.

Reach a Benefit Threshold

Sometimes working for a specific number of years or until a certain age is necessary to qualify for retirement benefits. For example, at age 59 1/2 you can start to draw down retirement accounts [without penalty](#). At age 62 you become [eligible for Social Security](#). Every additional year you delay Social Security increases your benefit until age 70. Your employer may also have incentives to stay longer, such as health care benefits after retirement or [pension income](#). Take a look at your workplace benefits well ahead of your planned retirement date to see if an extended tenure provides any additional financial advantage. Weigh the extra benefit against your desire to leave your job.

Be Certain You Have Enough Money

If you've run the numbers and have adequate retirement savings, but still feel uneasy about having enough money to last the rest of your life, one more year of work can help you mentally prepare for retirement. After decades of earning, saving and watching your net worth grow, withdrawing and spending your nest egg can be a significant adjustment. Building up a bigger nest egg

during an extra year of work will give you some extra financial security. Also, take care to mentally prepare for the financial change by setting up a spending plan.

Complete a Meaningful Project

Meaningful work is a commonly cited reason to stay in the workplace. If there's a project you've already put time into and enjoy, it may be fulfilling to stick around and see it through to the end. Workers in cyclical industries may have an annual window where you need to commit to leaving or staying by a specific date to allow for staff planning. Avoid leaving mid-cycle to deliver on your commitment to your employer and maintain strong relationships into retirement. Successfully finishing a big project or commitment can be a satisfying way to enter your retirement years.

Refine Specific Retirement Plans

Boredom is a common reason for people to go back to work after retirement. Without a particular plan for what you want to do in retirement, you may end up back where you were or in a similar job. If you're unsure how you will [spend time in retirement](#), devote your final year in the workforce to coming up with ideas for retirement. Research travel destinations, start a new hobby, join interest clubs or create a meaningful and fun side business to keep your mind engaged. Take a week off from work and practice [what you will do in retirement](#). If you find the vacation time more enjoyable than work, you may want to leave your job sooner than initially planned.

Qualify for Part-Time Flexibility

Some employers offer older workers the opportunity to shift to part-time work, which can be an attractive option to ease into retirement. Part-time work status allows you to stay engaged in the workplace, maintain some pay and benefits and start to appreciate regular time away from the office beyond weekends and vacations. Some workers may find themselves bored during the days at home and decide to return to full-time work. Other people may prefer the days away from the office and decide to bump up their retirement

date. Either way, by [easing into retirement](#) with part-time work, you'll have a better sense of the right balance for you.