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Speaker 1

Welcome. My name is Andrew Baron, and this is, Well... It Depends! The podcast where I present the pros and cons of different financial decisions so that you, the audience, feel better informed when you are confronted with these decisions in your own life. In this episode, I ask the question, should I come out of retirement to work?

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Speaker 1

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Speaker 1

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Speaker 1

Getting into it. Should I come out of retirement to work? Well... It Depends! Retirement is a major milestone, but while you're working, it can kind of feel like sort of a finish line. Although once you retire and you're there, you might be curious if you made the right choice. Working more will extend your life savings, because you'll need to rely on less of your assets to provide for your current income today.

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Speaker 1

Even if you can only provide for 50% of your needs, this can go a long way and provide longevity to your portfolio. Working more can boost your Social Security income benefits as well, because Social Security

is calculated using your highest 35 earning years. If you're earning more today than you were 35 years ago, you can replace those lower earning years with higher earning years.

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Speaker 1

And every month counts, this way even seasonal and part time workers can take benefit. If you are currently working and receiving Social Security benefits, but you are under full retirement age, you need to be careful. Full retirement age is 66 or 67, depending on the year you were born. If you earn a certain threshold amount, your Social Security benefits will be withheld.

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Speaker 1

This is not lost money, and once you do reach your full retirement age, your benefits will be recalculated and this money will be redistributed to you. There are three stages to retirement. At the beginning, you can do a lot. In the middle you can do the same, but fewer activities and towards the end you are limited in what you can do.

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Speaker 1

Time is even more valuable than money and it's important to spend yours wisely. Consider if you even need to work. It can be difficult to change from saving for many years to spending down your assets and psychologically it can be uncomfortable. You might even seek to preserve some of your wealth by working to offset your expenses. But remember, money is not the goal.

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Speaker 1

Instead, money is a tool to help you accomplish your goals. While many do find pleasure in working, I would encourage you upon retirement to consider old hobbies that you gave up or new interests that you never pursued. You might find that they bring you even more joy than working. To recap, working will put less stress on your assets so that they will provide for a longer amount of time in your retirement.

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Speaker 1

Additionally, you can increase your Social Security benefits by replacing lower earning years with higher earning years. For those that are under full retirement age and currently receiving benefits, be careful because you can have some of your current benefits withheld. There are three stages to retirement and you never know when you will transition from one stage to the next.

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Speaker 1

It's important to be mindful of your health and the time that you have mathematically is likely to always be in your benefit to work more because there's additional income. But money isn't the only thing in life. Consider what's important to you both today and how you'd like to be remembered. So to answer the question, should I come out of retirement to work? Well... It Depends!

Speaker 1 – Andrew Baron, CFP®, EA