

Are We There Yet? How to Know When You're Ready to Retire



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For many seniors, the last several years of unstable economic conditions have made the idea of retiring a daunting venture. Even Wes Craven, the creative genius behind Freddy Krueger, recently wrote a column on the nightmare of his own retirement attempt (his story involved a motor scooter, a kickstand, and a hospital, but still).

Seriously, the question of when to retire has turned into a perplexing logic problem including the stock market, the solvency of Social Security/Medicare, inflation, family obligations and another humdinger of a question: *how long do you and/or your spouse intend to live?* Easy; right?

In general, you can choose to begin receiving reduced Social Security benefits at 62, wait to receive regular Social Security benefits at the normal retirement age (currently 66), or wait even longer for increased Social Security benefits by postponing benefits until after the normal retirement age (up until the age of 70).

Many seniors decide to continue working after age 62. However, note that if you decide to continue working in addition to receiving benefits, there is a cap on the amount of money you can earn before losing a portion of your benefits. Once a person reaches normal retirement age, there is no loss of Social Security benefits, regardless of earnings.

Consider, also, that there are no mandates towards taking Social Security benefits early just because you have retired. Some employers provide pension benefits to seniors who want to retire at 62 but postpone receiving Social Security until they reach 66. This is often a good option if you expect to live a long time or if you want to ensure your spouse receives a larger benefit upon your death.

It's also critical to be aware of your income tax situation. For example, a \$30,000 per year employer pension is federally taxable income. And because you're getting that money, a portion of your Social Security benefits may be taxable as well.

Every situation, of course, is unique and a lot is at stake when making such a major financial decision. It is always a good idea to check with an attorney or financial planner for clarification on your individual situation. Another logical step is to contact your local Social Security office (in Athens, 1650 Prince Avenue; 706-964-3294) and find out exactly what works for you.

A little bit of leg-work will go a long way in ensuring your and your family's financial future while you enjoy your well-earned golden years. Who wants to lose the "rat-race" in the home-stretch? I think that's a question we all can answer.

Keeping the promise,



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