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## **A Second Act: Financial Benefits of Working in Retirement**

Retirement for many marks the end of a career and a transition into a work-free life, but that does not mean you have to stop working completely. Many retirees find satisfaction and comfort in transitioning from a main career to a second act that may require less time. If you are on the fence about whether to continue your career, transition to a new full or part-time role or retire completely, you are not alone. Consider the following benefits of working another year or more in retirement

**Boost your nest egg.** Continuing to earn a paycheck provides more time to save and invest in your future. You can use this extended earning period to make catch-up contributions to your retirement accounts and maximize employer contributions to your 401(k), if applicable. Allowing your investments to continue to grow can strengthen your ability to weather potential market volatility down the road. Additional savings may also give you confidence that you'll have enough money to live the lifestyle you want in retirement.

**Plan your healthcare strategy.** Approaching retirement means planning for how to maintain healthcare insurance coverage while costs for care are on the rise. Working farther into retirement can give you time to figure out your game plan for managing these expenses, while possibly remaining on an employer's health plan. Starting at age 65, you can register for Medicare. Do your research to ensure you understand what expenses are covered by Medicare Parts A and B, and drug insurance (Part D) and consider if you need to purchase supplemental insurance to fill in any coverage gaps. Also, review your long-term care policy, health savings account (HSA) or other designated healthcare funds, so that you know how you can handle potential health expenses. Determining your retirement healthcare strategy while on an employer's healthcare plan can allow time to evaluate which plan is right for you without being underinsured.

**Maximize Social Security.** Retirement income often comes from a complex patchwork of sources, and a key income source for many is Social Security. Working a year or two into or beyond retirement to attain supplemental income can allow you to delay the starting date of Social Security. Each year you delay, your overall benefits from Social Security increase, which can help establish an income cushion for your later retirement years. Keep in mind that Social Security benefits max out at age 70, so working beyond then may not be to your advantage.

**Working longer gives you time to figure out what's next.** Crafting a retirement plan is about more than money. It's also about deciding what activities you'll pursue to make your retirement meaningful. Use the last months or years of your career to plan your next chapter. If you're not ready to leave the workforce, explore your options for part-time or consulting work. Or consider community service,

board or advocacy roles you may not have had time for while working a full-time job.

Extra time in the workforce can help supplement your savings and grant time to plan for your ideal retirement. Work with your financial advisor and tax professional to determine the right time for you to leave the workforce.

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