

Earning income after 65? How to make it work for you

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[Darla Mercado@DARLA_MERCADO](mailto:Darla.Mercado@DARLA_MERCADO)

KEY POINTS

- More than 30% of workers aged 65 to 74 are expected to be in the workforce in 2026, according to data from the Bureau of Labor Statistics.
- Four out of 10 employees envision a phased transition toward retirement, but fewer than 20% of employers offer it, according to data from Transamerica Center for Retirement Studies.
- If you want to stick around, devise a plan with your employer first.

You may feel ready to work beyond age 65. Your boss has a different story.

Whether your [retirement nest egg](#) could use a little more strengthening or you're [looking to keep busy](#), there are plenty of reasons why you'd like to keep punching in.

Your employer could probably do a better job of preparing for this.

While 43% of employees envision a phased transition to retirement, involving a reduction in work hours or working in a different capacity, fewer than 2 in 10 employers offer such a program, according to a survey from Transamerica Center for Retirement Studies.

The organization did an online survey of 1,825 employers and 4,649 workers from October through December 2018.

Here's why starting a business might be easier when you are over 50

“Our survey findings reveal a major opportunity for employers to increase their support of older workers who are nearing retirement and workers of all ages,” said Catherine Collinson, CEO of the center.

Indeed, more than 30% of workers aged 65 to 74 are expected to be in the workforce in 2026, according to [data from the Bureau of Labor Statistics](#).

If you want to stretch out your career into your retirement years, you'll need to work out a plan with your boss.

“For many of us, our identity is our job,” said Dan Herron, CPA and principal of Elemental Wealth Advisors in San Luis Obispo, California. “The longer you can incorporate that and keep these workers in the community, it can be beneficial.”

“If you're an employer, and being smart about your older employees, retirement is done in phases,” he said.

Phasing out of the workplace

Flexibility is key for employers and workers when it comes to a [phased retirement plan](#).

About 40% of the polled employers said they offer flexible work schedules and arrangements, while 3 in 10 companies allow employees to shift from full-time to part-time status, Transamerica found.

Another 21% permit their employees to take on jobs that are less stressful.

Older employees can also train and mentor others in the workplace — an opportunity that 23% of the polled employers make available.

It can take a few years to line up that gradual path to retirement, so it's best for workers to start talking to their employers well in advance to prepare, said Herron.

The new retirement

Employees hoping to stay at the workplace should also consider what this might mean for their benefits, including insurance.

“If you’re close to retirement, you’ll want to keep your long-term care insurance, disability coverage and life insurance if they’re available,” Herron said.

That’s because employers can help subsidize those benefits, and they’re often available with little to no medical underwriting.

“Those policies are often expensive if you go out and get them on your own, versus taking the guaranteed issue policy from your employer,” said Herron. “It might cost you more out of pocket, but you don’t have to go through medical screening.”

Building your own glide path

If you want to ease into retirement, start doing your homework well in advance.

Go on reconnaissance. If a co-worker has successfully made the leap to a retirement transition at your job, take them out for coffee and learn how they did it.

“One thing people should be careful about is to not tip their hand to their employer that they’re thinking of retirement if they’re not ready to do so,” said Collinson.

Burnish your job skills. Take advantage of job training programs available at your employer, including the opportunity to ramp up on continuing education.

Invest in yourself so that your boss might be more inclined to give you that easier schedule or allow you to go into a mentoring role.

“The reality is that superstars have more negotiating power than non-superstars, and they’re more likely to get a ‘yes,’” Collinson said.

Have a clear proposal. When you're ready to sit down with your employer, have a clear picture of what your transition to retirement will look like and think about what's negotiable.

"If you're asking to transition from full time to part time, is that 40 hours to 20 hours a week, or a 5-day work week to a 2-day work week?" asked Collinson. "What does the compensation look like?"