

# Signs You Aren't Ready to Retire Yet

How to tell if you should delay retirement for a few more years.



If you're swimming in debt or your health coverage is up in the air, staying on the job a little longer is probably your best move.

Some people are eager to escape an unpleasant work situation or want to spend less time at the office. But a desire for less stress and more leisure time doesn't necessarily mean you are ready to permanently retire. Here are some of the signs you would benefit from spending a few more years in the workforce.

**You don't have a plan to pay your retirement bills.** Once your paychecks stop coming, you need another way to pay your bills. You might get monthly payments from Social Security or a pension and continued income from a part-time or hobby job, but you will likely need income from savings or another source to cover all of your expenses. If you can't cover all your monthly bills by withdrawing no more than 3 to 4 percent of your retirement savings each year, you might benefit from spending another year or two in the workforce. Alternatively, you could try to significantly cut your expenses to live on the amount you have already saved. "If you are retired, you have

more time to plan, so you can shop for a better deal," says Kevin Reardon, a certified financial planner for Shakespeare Wealth Management in Pewaukee, Wisconsin.

**You have significant debt.** Paying off past debts puts a strain on your monthly budget once you retire. "Pay off as much debt as you can going into retirement," says Chris Falvello, a certified financial planner for Navigate Financial Advisors in Ocean View, Delaware. "The people who do the best in retirement are the ones who don't have a lot of debt to pay off. That way they can use their cash flow for basic living expenses." Eliminating credit card payments, car loans and even your mortgage can make it much easier to live on a modest retirement income.

**You don't know how much you will get from Social Security.** About three months before their 60th birthday, most people will get a paper Social Security statement in the mail that will list an estimate of monthly payments if they sign up at various ages. You can also view your Social Security statement online at anytime at [ssa.gov/myaccount](https://ssa.gov/myaccount). "I always recommend that you wait until full retirement age to take Social Security because there's a hit if you take it early," says Otis Aust, a certified financial planner for Aust Financial Advisory in Atlanta. "If you are in poor health, you might want to take it before full retirement age."

**You aren't eligible for Medicare yet.** You can sign up for Medicare beginning three months before your 65th birthday, and coverage can begin the month you turn 65. If you aren't yet eligible for Medicare, you need to line up another form of health insurance coverage. Your state's health insurance exchange offers a variety of coverage options and subsidies to help pay if you qualify.

**You don't have a plan to help your savings last the rest of your life.** Your retirement savings needs to last for the rest of your life, however long that is. You also have to protect your savings from stock market dips and inflation. "A portion of your portfolio can be in an inflation-protected bond," says Joel Shaps, a certified financial planner for Bedrock Capital Management in Los Altos, California. "Typically things like real estate, real estate investment trusts and stocks keep up with inflation over long periods." Retirees need to find a balance between safe investments that will protect their existing savings and the need for continued growth over several decades of retirement.

**You don't know what you will do all day.** Relaxation might be your primary retirement goal, but eventually you will need to do something beyond that. You could become lonely and bored if you don't make an effort to see other people through social engagements, volunteering or a part-time job. To prevent declines in your health, you also need a plan to stay physically and mentally active. "If you love wine, there might be a local restaurant that needs a wine expert a couple of nights a week," says Mark Avallone, a certified financial planner and president of Potomac Wealth Advisors in Rockville, Maryland. "If you love horses, find out if there is a local horse farm that you might spend some time at and earn some money doing something you enjoy."

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