

Upkeep or downsize?

Retirement opens up a range of options for housing.

Some people choose to stay in the homes in which they raised their families, keeping space for visiting family, enjoying a big backyard and staying close to their pre-retirement lifestyle. Others sell their house and move somewhere smaller, possibly even a condo or townhouse, reducing the need for yardwork, or they choose to relocate somewhere else — closer to family or to a more temperate climate. At some point, people may opt for a senior living community. The decision is different for each retiring person or couple depending on their wants, needs and financial situations. Forbes suggested making the decision with two factors in mind: quality of life and financial reasons. Although more than 80 percent of Americans say that would prefer to stay in their homes through retirement, it may not be the best choice long-term.

Financial Questions

Can you afford to keep your home? That in-

Going back to work

Retirement is a great opportunity to travel, learn, read, rest and spend time with your family. The last thing you want to think about is going back to work. However, many retirees find themselves heading back into the workforce out of a desire for more career challenges, a way to fill time or a need for money or health insurance in retirement.

As you're thinking about returning to the work-

cludes a mortgage payment, insurance and upkeep. Even if you can make those payments, leveraging the equity in your home for a less expensive housing option may allow you more financial freedom in retirement. According to a 2015 Merrill Lynch study, most Americans of retirement age have more than \$200,000 in equity in their homes but less than half of that in retirement savings.

Can you afford to move? A smaller home doesn't always lower your expenses — you may want to live somewhere with a higher cost of living, or you look at a smaller but nicer home or an area with more amenities. Consider the differences you'll see in finances. Additionally, moving itself is expensive.

Quality of Life Considerations

Many people want to travel when they retire or otherwise have more freedom. If this is you, selling your house and renting a home or apartment may allow for that lifestyle. Even if you don't

force for full- or part-time work, consider several questions. Health insurance may be a big factor, according to New Retirement. People who retire before age 65, when Medicare kicks in for all Americans, may find insurance and other out-of-pocket costs eating into their retirement savings, so getting a job that provides health insurance can be the most financially sound option. There are some part-time jobs that offer health insur-



plan to roam, you may want less responsibility for maintenance and upkeep, which can be achieved either through renting or buying a property in a neighborhood with an involved homeowners association.

Also consider whether you want to stay. Perhaps your friends and family are all in this community, you've joined organizations and have roots that you want to keep. Or you may find yourself in a school district with high property taxes that made sense when kids were in school but no longer do now that you're empty nesters.

ance, so consider those options as you're looking at a return to the workforce.

Other people find they have not saved enough money for retirement and need the salary. Determine how much additional money you need each month to determine if you need full- or part-time work. It's also a good idea to talk to your financial planner to see if you'll face any tax implications.

In addition to your planner, talk to the Social Security Administration in your area. According to New Retirement, Social Security income could be reduced if you go back to work, depending on what age you were when you retired. Full retirement age is 67 for people born 1960 or later, and if you retire before 67, you will receive less money from Social Security each month. If you retire and go to back to work before you reach 67 (or the full retirement age, which may be younger for those born before 1960), Social Security deducts a dollar in benefits for every \$2 you earn above the annual limit, though this is not a permanent change.

Finally, if you have a pension, it could be affected if you go back to work for the same company or organization that you worked during your career. Often, companies will suspend benefits when you get back on their payroll, so check with the company so you don't get an unpleasant surprise your first month. Your pension shouldn't be unaffected if you work somewhere new.

