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## Guiding 60-Somethings Through the Final Stretch of Retirement Planning



Participants in their 60s are poised on the cusp of retirement, where every move can have big consequences. Plan sponsors have a critical opportunity to support late-career workers' retirement planning efforts by providing relevant tools and communication strategies that help them make more informed choices during these critical years.

**Promote “super catch-ups.”** Participants aged 60 to 63 can accelerate savings while they're still earning. A provision introduced under SECURE 2.0, allows eligible workers to contribute up to \$11,250 in catch-up contributions — significantly more than the standard \$7,500. Sponsors should proactively communicate this option to employees who are either within or approaching the qualifying age range and help them take advantage of the provision.

**Turn attention to income.** Many workers in their 60s are highly focused on how to turn their savings into a steady stream of income during retirement. Consider exploring guaranteed income options and assist participants through one-on-one advisory support to help them reduce the risk of outliving their savings.

**Support phased retirement.** For some older workers, easing into retirement makes more sense than stopping employment cold turkey. Phased retirement into part-time or consulting roles can help participants transition out of the workforce while maintaining income, extending benefit access, and staying engaged. Encouraging contributions past age 65 for those catching up on their retirement goals, offering flexible withdrawal strategies, and providing clear guidance on how benefits interact with continued employment can better support those shifting gradually into retirement.

**Support financial wellness for 60-somethings.** Segment communications to highlight relevant actions for this demographic. Provide education around decumulation strategies, planning for health care costs, and reducing high-interest debt before retirement.

**Educate on Social Security timing.** The age at which employees claim Social Security benefits can have a significant impact on their long-term retirement income. Claiming at age 62 results in permanently reduced monthly payments, while delaying up to age 70 can increase payments by as



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much as 8% per year. The decision also affects Medicare coordination and how long retirement savings must stretch. Providing clear, personalized education can help participants weigh the trade-offs and make more informed decisions based on their individual circumstances and financial goals.

**Prepare for Roth catch-up rules affecting older, higher earners.** Starting in 2026, employees aged 50+ earning more than \$145,000 from the plan sponsor in the previous year must make catch-up contributions on a Roth basis. That includes many workers in their 60s — often their peak earning years and final opportunity to boost retirement savings. Sponsors should act now to ensure their plan is Roth-ready and that employees approaching retirement understand how the new rules may impact their savings strategy.

With thoughtful plan design and targeted support, sponsors can help older participants navigate the often-blurry transition between work and retirement by offering tools and flexibility that support a more personalized off-ramp.

#### Sources

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