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# What Is the Best Age to Retire?

When is the best time to make your exit from the workforce? Well, that depends.

By [Maryalene LaPonsie](#) | June 27, 2023 |

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Determining the best age to retire is a highly personal process that involves several financial and lifestyle considerations.

Retirement is the ultimate goal for many workers. It's a time to check out of the daily grind and focus energy on what you want to do rather than what your boss tells you to

do.

Traditionally, 65 has been considered the retirement age, but when and how people retire seems to be changing.


“This is not your parents’ or grandparents’ retirement,” says Marilyn Suey, certified financial planner and founder of The Diamond Group Wealth Advisors in San Ramon, California. Rather than checking out of a job and spending idle days at home, many retirees are “going on to a second act,” according to Suey.

The prospect of an [encore career](#) or pursuing a passion project is one reason why some people may leave their current jobs early. On the other hand, modern medicine has extended lifespans and made it possible for many to work well into their 70s and beyond. And yet, there is still something to be said for retiring at the traditional age.

So what is the best [age to retire](#)? It all depends on your unique situation and goals.

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# Retire Early to Maximize Time Spent on Personal Pursuits

At one time, [retiring early](#) meant quitting at age 62 when Social Security benefits can first be claimed by eligible workers. Now, the FIRE movement – Financial Independence, Retire Early – has moved the goalposts to the 50s or even earlier for some people.

Quitting your job at this age can be a tantalizing prospect, but it comes with [challenges](#).

“You get to enjoy life a little more, but with that, it’s more time you have to self-fund,” says Kaitlyn Haney, certified financial planner and financial advisor with Fort Pitt Capital Group in Pittsburgh, Pennsylvania.

Not only will you need a nest egg large enough to sustain your financial needs for 40 or more years, but you may not have access to some key retirement funds and programs right when you leave work. For instance, you’ll need to find your own health insurance since Medicare doesn’t start until age 65, and tax-advantaged retirement funds can’t be tapped without penalty before age 59 1/2.

## Pros and Cons of Early Retirement

### Pros:

- More time to pursue [personal interests and activities](#).
- Greater possibility of good health in retirement.

### Cons:

- May need to buy your own health insurance.
- Need to have significant financial reserves to sustain a long retirement.

## Take a Normal Retirement to Balance Personal and Financial Needs

Retiring in your mid-60s still makes sense for many people. At this point, you are old enough to have hopefully amassed [sizeable savings](#), but you are still young enough to enjoy active pursuits [such as travel](#).

Plus, Medicare kicks in at age 65, which eliminates the need to work for health insurance, and full Social Security retirement benefits are available at [age 66 or 67](#), depending on your birth year. Once you begin both those programs, quitting your job or ramping down hours might be best from a tax perspective.

“A lot of people don’t think Social Security is taxable at all,” Haney says.

However, if you have enough other income, a portion of your benefits may be subject to federal tax. Haney also notes that Medicare premiums are based on your income from two years prior. If you are a high earner, you may be assessed a higher monthly premium.

## Pros and Cons of Normal Retirement

### Pros:

- Medicare eligibility begins at age 65.
- Full Social Security retirement benefits available at age 66 or 67, depending on birth year.

### Cons:

- Fewer years in retirement.
- Greater possibility of job burnout before retirement.

▶ **Related:** [Retirement Planning Mistakes to Avoid](#)

## Retire Late if You Enjoy Work or Need to Shore Up Reserves

If you delay retirement, you’ll get an 8% increase in Social Security benefits for each year you wait to file a claim past your full retirement age until age 70. Extra time in the workforce could also help you save more or wipe out any remaining debt, leaving you in a better position financially for your final years.

“There are a lot of pros to continuing working,” says Steve Parrish, adjunct professor of advanced planning and co-director of the American College of Financial Services Center for Retirement Income. “It not just helps financially, but it helps mentally.”

Many people enjoy what they do and, in that case, there is no reason to stop working just because you hit an arbitrary age. Both Parrish and Suey note they have continued to work past age 70 for this reason. The trade-off for working later in life is that you may have to forgo some activities if your health declines before you have a chance to pursue them in retirement.

## Pros and Cons of Late Retirement

### Pros:



- Larger Social Security payments if delayed until age 70.
- Positive work environment can foster a sense of purpose and social interaction.

### Cons:

- Less time to enjoy retirement activities.
- Possibility of missing out on some activities if health declines.

▶▶ **Related:** [Secrets of Retirement Super Savers](#)

## How to Select the Best Age to Retire

Determining the best age to retire is a highly personal process that involves considering your savings, risk tolerance, personal goals and health expectations.

“You really have to know your numbers,” Suey says.

Retirement doesn’t have to be an all or nothing proposition either.

“More and more, a lot of people are doing this phased retirement,” Parrish says.

For example, workers quit their full-time job but [continue to work](#) as a consultant or on a freelance basis in the same field. Others may open a business or pursue a second career in a different industry. Switching to remote work or part-time hours are other options for older Americans who are getting ready to retire but don’t want to leave the workforce completely.

Still, many people end up retiring earlier than expected, Parrish notes. They or a loved one may encounter health issues that make it impossible to continue working.

If you aren't sure whether you have enough money to retire or need help weighing your options, a financial planner should be able to walk you through various scenarios to help you determine the ideal time to call it quits.

### 25 Things to Do When You Retire

Think of what you love to do, and use your free time wisely to thrive in this stage of life.

Rachel Hartman June 21, 2023



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