

She still works, he doesn't

How to deal financially and emotionally with staggered retirements

By **Tobie Stanger** | Senior Editor

A few years ago, my friend Phyllis told me that her husband was retiring from work as a music teacher in the New York City public schools. David, then 59, would get a decent pension, continued health coverage, and a break from a stressful job. But Phyllis, then 57, was worried. What would he do with his time while she was off at work?

Indeed, the first couple of months were trying for both of them. David helped more with chores, but he also spent hours on the computer and took frequent naps. Phyllis feared he would get depressed without more stimulation. “He needs to find something more to do,” I recall her saying, “or he’s going to drive me nuts.”

David eventually found a satisfying niche—several, in fact. He swam more at the local “Y” and made new friends there. An accomplished



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“With the right planning and clear communication, you and your spouse can make the transition into retirement a smooth one—and get the most out of your Social Security benefits.”

-Kurt Fillmore

double-bass player, he played gigs with local orchestras. He volunteered to coach immigrants to reach and began teaching music to preschoolers part-time. And when two of their three kids left the nest, Phyllis, who continued to work, felt a shift.

“He’s busy and healthy,” she said recently. “We don’t have as many stresses. This is the best time in our marriage.”

FIND COMMON GROUND

According to Richard Johnson, senior fellow and director of the Program on Retirement Policy at the Urban Institute, a think tank in Washington, D.C., only about half of couples retire within two years of each other. They may find it unappealing or impractical to jump off the treadmill in tandem. One partner may not be ready to call it quits. A layoff, disability, or illness may precipitate an unplanned retirement. The pair may still need employer-based health coverage or income from a full-time job.

So what contributes to happiness in the one-retiree home? When the retiree uses his newfound time to pursue interests, life can be more satisfying for him and less stressful for his working spouse, says Dorian Mintzer, Ph.D., a therapist and retirement transition coach in Boston. Fights can erupt if the spouse who still works feels she has to find ways to keep her nonworking partner engaged. “I see the healthiest adjustments when people communicate and figure out their expectations, roles, and responsibilities,” Mintzer says. “If the husband is home, the wife may

feel he should take over the household chores, and he might not want to. Or the opposite: She may complain that her husband has reorganized the whole kitchen.”

STRATEGIZE WITH SOCIAL SECURITY

Couples need to adapt financially, too. Those with time to plan can use Social Security claiming strategies to reap higher benefits, says Kurt Fillmore, a principal at Wealth Trac Financial Group, a Detroit-area investment- and retirement-planning firm.

In one scenario, both partners delay Social Security retirement benefits so that they continue to build in value. At the same time, one spouse claims a spousal benefit, a bonus that won't reduce their retirement benefits. It's worth up to half of what the other spouse would get from Social Security at full retirement age (currently 66). That “file and suspend” gambit works best when both partners are at least full retirement age.

Take, for example, a couple, both 66. The wife retires now, but the husband plans to work until age 70. The husband claims retirement benefits but suspends payments until age 70. The wife claims the spousal benefit now. When both turn 70, they claim their own retirement benefits, which have grown by 32 percent.

NAIL DOWN INSURANCE

The need for employer-based health insurance often means that one spouse must keep working. But the Affordable Care Act (ACA) now requires insurers to accept policyholders regardless of age or medical

history. They can't charge older customers more than three times what the youngest ones are paying. That development may encourage more people to retire.

I've already seen evidence of such a change. Next to a New York Times Web article on the ACA, for instance, was this comment from “Barbara” in Venice, Calif.: “My husband is a 69-year-old university professor. I am a 55-year-old woman with a pre-existing condition (cancer). Now, since I cannot be tossed from my plan for said pre-existing condition, my husband can retire.”

That's good news for Barbara, and hopefully for a lot of others. But once her husband is home, he'd better not rearrange the silverware drawer. ■

Tobie Stanger, M.B.A., has covered personal finance for Consumer Reports for more than 20 years.

About Wealth Trac

Wealth Trac Financial Group is a full-service retirement planning firm based in Southfield, Michigan, serving clients throughout the Detroit area. Led by principals Josh Alpert and Kurt Fillmore, the team at Wealth Trac uses a wide variety of strategies to create truly customized and individualized plans for each of their clients, ensuring financial security in retirement. To learn more or schedule a free consultation, please call us at 888-519-9614.
