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The big reason you shouldn't retire at the same time as your spouse

Togetherness isn't all that it's cracked up to be (but probably not for the reason you think)

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Most couples try to coordinate their exit from the workforce, [research](#) (<https://www.tandfonline.com/doi/abs/10.1080/15579336.2002.11770247>) show. And, in fact, about one in four couples quit their jobs within a year of each other, a 2018 [study](#) (https://www.fidelity.com/bin-public/060_www_fidelity_com/documents/pr/couples-fact-sheet.pdf) from Fidelity Investments found.

Retiring together may seem like a good plan, especially if you're in a happy relationship. After all, why not start as you mean to go on—traveling together, spending more time with family, and jointly enjoying all the fun stuff you didn't had time for when you were focused on your careers.

The catch: Your finances may suffer a blow, raising the risk that your money may not comfortably last through your retirement.

That's especially true if there's a big age difference between you and your partner or one of you spent several years out of the workforce to bring up children or care for

an aging parent. Women—who are typically the younger partner and also more likely to be the one with fewer years of work—can be particularly hard hit.

That’s why it’s critical to make the decision on when to retire jointly.

“It used to be that when the bigger breadwinner, often the man, was ready to retire it was his decision,” says psychologist and retirement coach Dorian Mintzer, co-author of [The Couple’s Retirement Puzzle: 10 Must-Have Conversations for Transitioning to the Second Half of Life](https://www.amazon.com/Couples-Retirement-Puzzle-Conversations-Transitioning/dp/1936498103) (<https://www.amazon.com/Couples-Retirement-Puzzle-Conversations-Transitioning/dp/1936498103>). “With more women in the workforce, retirement is becoming much more of a family decision.”

Here are five questions to help you and your spouse get your retirement timing right.

Can we really afford to retire at the same time?

If one of you got a late start on saving for retirement or is younger and hasn’t been contributing to a 401(k) or IRA for as long, a few additional years in the workforce can make a huge difference to how long those savings will last once you stop working. If the younger spouse is a woman, it’s also important to keep in mind that she’ll likely live longer, meaning she’ll have more years of retirement to pay for.

“With more women in the workforce, retirement is becoming much more of a family decision.”

Dorian Mintzer, co-author

“The Couple’s Retirement Puzzle”

Yet many couples haven't taken a hard look at their finances to gauge what is feasible. Fifty-four percent of the couples in the Fidelity study disagreed on how much they should have saved by the time they're ready to retire and 46% of boomers, a.k.a. those in or closest to retirement, said they had "no idea" of the right amount.

Use a retirement calculator, such as [this one from T. Rowe Price](https://www3.troweprice.com/ric/ricweb/public/ric.do) (<https://www3.troweprice.com/ric/ricweb/public/ric.do>) or one offered by your 401(k) provider, to get a rough estimate of how long your current savings would last under various scenarios. Test some that have the two of you retiring together and some in which you don't.

"It's about having a conversation and running the numbers to see what it means for one person to retire and what it means for two people to retire," says Stuart Ritter, a senior financial planner with T. Rowe Price.

Another non-DIY approach: Sit down with a financial planner who can evaluate your savings and run different scenarios for you. (You can search for a planner in your area [here](https://www.napfa.org/find-an-advisor#tab=filters) (<https://www.napfa.org/find-an-advisor#tab=filters>), [here](http://www.plannersearch.org/) (<http://www.plannersearch.org/>), or [here](https://www.garrettplanningnetwork.com/search_results) (https://www.garrettplanningnetwork.com/search_results).

Some 46% of baby boomers have "no idea" of how much they need to save for retirement.

Couples and Money study, 2018
Fidelity Investments

If it looks like you won't have enough money to leave the workforce together as you

If it looks like you won't have enough money to leave the workforce together as you hoped, having at least one of you delay, even for short time, can have a surprisingly powerful effect on your later-life finances. Researchers recently found (<http://www.nber.org/papers/w24226>) that delaying retirement for three to six months could have as large an impact on a person's retirement standard of living as saving an additional 1% of income over 30 years.

What's the hit to our Social Security benefits?

The second beat of the one-two financial punch of retiring together: the possible hit to your Social Security benefits, especially for wives.

The younger you each are when you stop working and when you start collecting Social Security, the smaller your monthly benefit will be. (Those don't have to happen at the same age, by the way.)

Read more about family and money

[What your adult children really need to know about your money](https://considerable.com/heres-what-your-adult-children-really-need-to-know-about-your-money/)
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Women who retire at the same time as their older husbands may lose out on peak earning years that would boost their eventual Social Security benefit. Meanwhile, those who took time off for child-rearing may find their benefits reduced because of their shorter careers.

That's because your Social Security benefit is based on your 35 highest-earning years; if you have fewer than 35 years of income, your average earnings will be reduced by the zeros for the nonworking years.

For that reason, staying on the job and delaying Social Security often provides a much bigger payoff for women than for men. And that benefit grows with each year retirement is put off, as a recent [paper by Harvard researcher Nicole Maestas](http://www.nber.org/papers/w24429.pdf) (<http://www.nber.org/papers/w24429.pdf>) found.

According to Maestas, if a woman with lower earnings than her spouse continues working until age 70 rather than retiring early at age 62, she would erase much of the difference between her potential Social Security benefit and her husband's.

The additional income from one of you continuing to work for a while may allow both of you to delay taking Social Security. That in turn can mean higher checks as a couple when you do start claiming benefits.

Where will we get health insurance?

Given how vital and expensive health insurance is, how you'll get coverage if one or both of you leave work before Medicare kicks in at age 65 is another factor in the financial equation. Only 19% of big companies provide retiree health coverage, down from 32% in 2008, according to [the Society for Human Resource Management](https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2018%2520Employee%2520Benefits%2520Report.pdf) (<https://www.shrm.org/hr-today/trends-and-forecasting/research-and-surveys/Documents/2018%2520Employee%2520Benefits%2520Report.pdf>). https://www.shrm.org/ResourcesAndTools/hr-topics/benefits/Documents/08-0335_BenefitsSR_FINAL_.pdf.

That's why it can make sense for at least one of you to stay at a job that offers a

health plan until you are both eligible for Medicare at 65.

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Society for Human Resource Management

Say you are both 62 and working and your spouse really wants to quit for good. If you continue to work, you could add your newly retired spouse to your health plan without having to wait for the next open enrollment period.

There are other options for health insurance, but they're pricey. Consumers ages 55 to 64 who purchased an individual plan paid an average of nearly \$9,500 this year [according to eHealth \(https://news.ehealthinsurance.com/news/ehealth-post-open-enrollment-report-premiums-rise-most-for-those-under-age-25-average-family-premium-tops-1-100-per-month/\)](https://news.ehealthinsurance.com/news/ehealth-post-open-enrollment-report-premiums-rise-most-for-those-under-age-25-average-family-premium-tops-1-100-per-month/).

If you're leaving a job with corporate health coverage, you may be able to continue your current insurance via COBRA for up to 18 months, but you'll be on the hook for the entire premium amount. For individual coverage last year, the annual charge was nearly \$7,000, [according to the Kaiser Family Foundation \(https://www.kff.org/report-section/ehbs-2017-section-6-worker-and-employer-contributions-for-premiums/\)](https://www.kff.org/report-section/ehbs-2017-section-6-worker-and-employer-contributions-for-premiums/).

How will our roles change?

Beyond the finances, there are emotional and psychological factors you and your spouse should consider when it comes to retirement timing.

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In weighing whether to retire at the same time or separately, talk through what your day-to-day life might be like in each scenario. Whether you both stop working or one person stops first, expect your roles to change.

Nearly six in 10 working Americans want to continue working part-time past retirement age; 11% want to work full time.

Gallup poll, 2017

If you're both retiring at once, talk about how much time you might spend together each day vs. pursuing separate interests and activities with your own friends. "The key is to discuss and clarify expectations," Mintzer says.

On the other hand, "if one spouse is busy working eight to 10 hours a day, and the other spouse is not working anymore, they need to talk about what the nonworking spouse is going to do and how that's going to affect their lives," says Steve Janachowski, chief executive of Brouwer & Janachowski Wealth Advisors.

One common point of contention: which, if any, additional chores the nonworking spouse will take on at home.

Are we both really ready to stop working?

Even if you've had a long-term plan to quit working at the same time and your

even if you've had a long-term plan to quit working at the same time and your finances are in good enough shape to do it, you may find that one of you doesn't want to become a full-time retiree just yet.

Some people choose to stay on the job "simply because they don't want to stop working, and that is fine," says Morris Armstrong, a registered investment advisor at Armstrong Financial Strategies in Cheshire, Conn. "I have also seen people who simply cannot wait to leave."

A [2017 Gallup poll \(https://news.gallup.com/poll/210044/employed-adults-plan-work-past-retirement-age.aspx?g_source=Economy&g_medium=lead&g_campaign=tiles\)](https://news.gallup.com/poll/210044/employed-adults-plan-work-past-retirement-age.aspx?g_source=Economy&g_medium=lead&g_campaign=tiles) found that nearly six in 10 working Americans wanted to continue working part-time past retirement age, and another 11% wanted to continue working full time. As retirement time approaches, it's worth having another conversation to make sure you're both still fully on board with the plan.

About the Author

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Beth Braverman is an award-winning freelance journalist and content producer, writing mostly about personal finance, p... [Continue Reading](https://considerable.com/contributor/beth-braverman/) (<https://considerable.com/contributor/beth-braverman/>).



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