

FINANCIAL FRIDAYS nymeo Federal Credit Union

Are You Facing a Forced Early Retirement?



Despite the best-laid plans of many people approaching retirement age, nearly half will retire earlier than anticipated due to health issues, the need to care for a family member, or the downsizing of their employer.

By exploring all available investments, benefits, and resources, anyone facing early retirement should be able to successfully rethink their financial plans.

Here's a few things to consider:



Your Available Benefits

Health care benefits might be one of your top concerns if facing early retirement. If your spouse doesn't have health insurance through their employer, you do have other options.

- With a lower income, you may now qualify for a subsidy or Medicaid. These options may be less expensive than the COBRA coverage offered by your employer.
- If you're waiting until 65 to qualify for Medicare, you may need to look at high-risk health insurance pools for health care.
- Those who are forced to retire early because of illness may be eligible for disability benefits.
- If you're laid off, you should consider collecting unemployment and any of the other benefits available to those without an income.

Current Investments

If you're no longer employed and aren't yet collecting on Social Security, your investments will be your new primary source(s) of income. These can include real estate investments, a whole life insurance policy, annuities, and others. But before you start drawing on these, research the possible taxable events or fees for doing so. If you sell an investment like real estate at a profit, you'll need to pay capital gains tax on it.



Pension Payments

Those with pensions need to consider, with the advice from a trusted financial advisor, whether it's best for them to take it as a lump sum or as monthly installments. Bear in mind that if the pension was funded in any part by your after-tax dollars, the pension payments will be partially taxable.

How Long the Money Will Last

The three previous considerations will all feed into this overarching concern. Early retirement—whether voluntary or compulsory—means filling the gap between your income and expense needs today and when you expect your full retirement investments and plans to begin.

Once you've calculated your current expenses and any investment income, consider eliminating any shortfall by cutting back on expenses. This may mean asking any adult or college-age kids to carry their own financial weight, including paying rent for continuing to live at home.

Consider staying in the workforce. Look for full- or part-time work that could still be crucial in keeping you afloat for the time being.



Keeping Up Professional Networks

If there is any possibility you might one day return to work, be sure to keep up with your professional connections and network. You never know when someone may hear about the perfect work opportunity for you.

**Schedule a Complimentary Consultation with Anna
& Irene**



Anna A. Behnam
Financial Advisor



Irene Tata
Financial Advisor

How much does a financial advisor cost?

Your initial meeting with Anna or Irene is complimentary! Depending on your specific need, as well as the complexity of your situation, you may choose to pay for additional options. [Schedule a time to speak with them at your convenience.](#)

Investment products are not federally or NCUA-insured, are not deposits or obligations of, or guaranteed by any financial institution, and involve investment risks including possible loss of principal and fluctuation in value.

The initial consultation provides an overview of financial planning concepts. You will not receive written analysis and/or recommendations.



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