How is flexible retirement viewed in the United States?

Full retirement age to receive Social Security benefits had been 65 for many years. However, beginning with people born in 1938 or later, that age gradually increases until it reaches 67 for people born after 1959. According to findings from the Transamerica Center for Retirement Studies’ 2015 survey of American workers, most Baby Boomers expect to phase into retirement (65 percent), by working past age 65 or planning not to retire, and 53 percent plan to work at least part-time in retirement. However, jobs may not be readily available for them. As an example of an initiative to support flexible retirement, in 2012, a law was passed to permit U.S. federal employees to phase into retirement by shifting from full-time to part-time work and receive partial retirement benefits while continuing to accrue prorated future retirement benefits. In order to take advantage of the phased retirement program, workers must spend at least 10 percent of their time mentoring younger workers, thereby ensuring critical knowledge transfer. While the plan is seen as a best practice in encouraging phased retirement, and has the potential to reach 2.5 million government employees, to date very few government agencies have chosen to make it available to their employees.

How do workers envision their retirement?

- **Retire before 65**: United States 14%, Global 26%
- **Flexible transition**: United States 66%, Global 55%
- **Keep active / keep brain alert**: United States 77%, Global 70%

Are employers supporting a flexible retirement?

- **Retraining or reskilling**: United States 4%, Global 9%
- **Move from full-time to part-time**: United States 25%, Global 27%
- **Belonging to their employer**: United States 44%, Global 48%

Key country indicators

- Life expectancy at age 60: United States 23, Global 17
- Health life expectancy at age 60: United States 17, Global 14
- Official retirement age (when full entitlements are payable): United States 66, Global 66
- Effective retirement age (actual age of labor market exit): United States 65, Global 61
- Labor market engagement of older people (employment rate): United States 61
This country profile is part of the report “The New Flexible Retirement” and contains research findings from the fourth annual Aegon Retirement Readiness Survey.

Sources of the key country indicators included in this country profile:

- Life expectancy at age 60: World Health Organization, Global Health Observatory Data Repository
- Health life expectancy at age 60: The Institute for Health Metrics and Evaluation, Global Burden of Disease Study, 2010
- Percentage of population age 65 plus: World Bank
- Official retirement age (when full entitlements are payable): OECD Pensions at a Glance 2015*
- Effective retirement age (actual age of labor market exit): OECD Society at a Glance 2014*
- Labor market engagement of older people (employment rate): International Labour Organisation, Employment-to-population ratio by sex and age

* where the official and effective retirement age is different for men and women, we have calculated an average

About:

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The Aegon Center for Longevity and Retirement (ACLR) is a collaboration of experts assembled by Aegon with representation from Europe, the Americas, and Asia. The Center’s mission is to conduct research, educate the public, and inform a global dialogue on trends issues, and opportunities surrounding longevity, population aging, and retirement security. www.aegon.com/thecenter

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