

Title:

Early Retirement: What You Should Know

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Summary:

For many reasons, more and more people are opting to retire at an early age. The growing trend for the retirement is based on the fact that people are enticed to retire early than continue working and wait until they reach their retirement age of 65.

In fact, most of the surveys conducted in the United States asserted that 60% of the respondents would love to retire at an early age.

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Article Body:

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In fact, most of the surveys conducted in the United States asserted that 60% of the respondents would love to retire at an early age.

In reality, there are many benefits that people can derive when they retire early. However, there are also many consequences that result from early retirement. What they do not know is that early retirement has the potential of bringing more problems than reaping in benefits and advantages.

Here is a list of some of the reasons why retiring early can be a pretty risky activity.

1. Not in accordance with the regulations of Social Security

When people will retire at an early age, there is a great possibility that they

cannot immediately obtain their Social Security benefits. This is because according to the rules and regulations of Social Security, anyone who is born after 1938 will have to wait longer than their retirement age of 65 before they can get their benefits.

Hence, early retirement may only contribute to a negative upshot if the older people's finances were not managed properly and the only thing they expect to help them are the Social Security benefits they can get.

2. If people who took early retirement get sick, they cannot acquire some Medicare benefits.

This is because the age when people can get their Medicare benefits is when they already turn 65. Hence, if they are hospitalized and they have already filed for their early retirement, they have to obtain the necessary amount of money in order to cover the expenses in the hospital without Medicare.

3. Penalty charges apply to those who retired early and had withdrawn their IRAs early.

For people who would like to retire at an early age and wish to obtain their IRAs, they have to face a hefty 10% penalty charge.

Moreover, experts contend that the nest egg of people who wish to retire early is only 80% of what they should be getting when they retire at the age of 65.

The bottom line is that early retirement is, indeed, a personal choice and preference of an individual but one must consider the factors that may affect their life in the end.