Seventy-four million. That’s the estimated number of Baby Boomers, according to the U.S. Census Bureau.¹ And 66% of Baby Boomers are working past their retirement age for a variety of reasons: Some can’t afford to retire, particularly with the looming high costs of healthcare; others may choose to work longer to keep their brains active or because they fear the adjustment to a less structured lifestyle.² This select group needs retirement benefits education more than ever.

Older workers approaching full retirement age (where they can begin receiving 100% of Social Security), face daunting decisions this, Medicare, and retirement plans such as health savings accounts (HSAs) and 401(k)s.

Until this point in their lives, this is unchartered territory. There are specific rules about contributions and withdrawals in retirement. It’s complicated.

As an employer, you can help Baby Boomers with the retirement benefits education and planning process in 3 ways.

1. **Break down HSA rules from a retiree perspective**

   If you offer an HSA, it’s important that Baby Boomers understand how a health savings account works with Medicare. The IRS dictates that a person can’t contribute to an HSA if they’re enrolled in parts of Medicare (Part A, Part D, etc.) However, they can draw on funds already in the account to pay for qualified medical expenses and premiums for Medicare Parts B, C and D (but generally not Medicare supplement plans or Medigap insurance premiums).

   Importantly, employees may be penalized for delaying Medicare, depending on the number of workers you have and whether you provide group health insurance.³ These requirements may not be well known by employees and should be communicated clearly.
Of course, because Medicare, Social Security and any retirement plans involve several layers of government rules and financial regulations, there are some tricky issues your employees need to know about. One is retirement “back pay.”

When employees sign up for Social Security at least six months beyond their full retirement age (which varies according to the year they were born), they’ll receive six months of retirement benefit back pay. This is problematic for employees who contributed to their HSAs over the previous six months—they are liable for tax penalties on HSAs. Create an education strategy that includes this information for employees looking to retire, so that they can stop contributing to their HSA six months before retirement and avoid costly mistakes.

2. Help older employees understand how all their benefits work together
They have contributed their knowledge and skills to your company; it’s important to help them understand their options as they work toward retirement. For those just a few years out from retirement, your education plan may include helping them understand eligibility requirements for both Social Security and Medicare, as well as any penalties that might arise from applying late to Medicare.

As employees age, they are also eligible to contribute “catch-up” funds to HSAs, IRAs and 401(k)s in preparation for retirement. Your 401(k) partners and financial wellness resources can help employees assess their financial situations and prepare for retirement. For example, it’s a good idea to encourage workers who have multiple 401(k) plans to consolidate them into one—this will make it easier to manage when they retire. They may ultimately roll these into an IRA to access additional investment options.

3. Maintain a focus on health & wellness
If you have a health & wellness program in place, take measures to boost participation and steer employees, especially older participants, toward healthy habits to help them live well and be productive.

Health & wellness may extend outside of physical, emotional and mental wellness to professional development. Help them improve their retirement outlook by keeping job skills up to date so they are better prepared if they need to take on other employment to supplement their retirement income.

For anyone nearing retirement age it’s a good idea to become acquainted with “Medicare and You,” the government’s official Medicare handbook.

While each employee’s situation may differ, there’s no doubt that retirement benefits education and planning are key to a successful post-work strategy and, as an employer, you can support these efforts.

1 Pew Research Center, “Millennials projected to overtake Baby Boomers as America’s largest generation”
2 TransAmerica, “Wishful Thinking or Within Reach? Three Generations Prepare for “Retirement”
3 Medicare.gov, “Should I get Parts A & B?”
For more information, please call 1.877.426.7779