

Should I Stay or Take Early Retirement?

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Many long-standing Canadian employees are facing a big decision: “Should I or Shouldn’t I accept an early retirement package?”

In most cases, the information provided to those facing the choice is mainly financial: how would the package be structured, what investment advice should they seek and consider, how can they model the financial implications of taking or not taking the package? These are all good questions.

Yet, for most facing the decision, the core issue has nothing to do with finances.

Facing an early retirement package can trigger a crisis of identity.

"Am I ready to be retired?" "What does it mean to be retired?" "Who am I if I am no longer my professional self?" Even people who have longed to leave their current positions or companies, sometimes for years, find it unnerving to face the actual decision.

So, here are three tips for wrestling with this weighty decision:

1. Start with your basic needs. Get good independent financial advice on the package, and your portfolio. Know and understand the facts and figures as they relate to what you’ll require now and in the future. Consider other needs, such as the work environment, type of work and relationships you must have to be happy and fulfilled.

2. 2. Factor in your passion and talents. What do you love to do and what are you good at? Which option allows you to do more of these activities – if you stay or if you go? What trade-offs will you need to make and do they feel worth it?

3. 3. Think about the impact you want your work to have in the next 10 years. The word "retirement" is in the name of the package, but accepting it doesn't mean you have to conform to any retirement stereotypes. Accepted or rejected, this employment instrument does not define who you are, nor does it limit your career. How does the imposed deadline offer you new opportunities to solve the types of problems you find engaging, be they inside or outside the company?

4. 4. People often struggle with this type of decision right down to the wire. Sure, you can assess the financial impact of taking or leaving the deal, factoring in the potential for future risk or upside. But no amount of analysis can give you a clear sense of what your life will look like after you've moved on, or how it will feel.

Leaving the stability and familiarity of a company where you've dedicated years of time and energy is uncomfortable. Your role within the business may have been a large part of your identity for a very long time. Accepting a package may feel like losing yourself.

Your company has set a deadline for you to actively choose your next career step. Sometimes it feels like a shove. However, it often leads to new opportunities and a freedom to explore what you want to do next in a way that you haven't really been able to do since you first started your career.

To those in the midst of this choice, best of luck. I know you'll make the right decision for you.

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