

A Study on the Anxiety and Future Planning of Office Workers after Retirement Age

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Abstract: Retirement is a major turning point in the life of an office worker. As employees approach retirement age, anxiety about the future begins to set in. Among the factors that contribute to this anxiety, the most significant is the economic issue, in other words, money. In Japan, office workers receive a retirement allowance upon reaching retirement age, but due to concerns about financial insecurity in old age, some choose to delay the start of their pension benefits. Under such circumstances, it is not easy to declare retirement and embrace a “second life” after leaving work. Therefore, fewer Japanese office workers are choosing to retire completely at the official retirement age. According to a survey by the Recruit Works Institute, the number of people who continue working after retirement through reemployment, career change, or starting their own business is increasing. Accordingly, their ways of working and values about work are also changing. As shown, the differences in work values before and after retirement are summarized. Values above zero indicate what people after retirement consider important, while those below zero represent what people before retirement value more. It shows that while workers in their active years prioritize high income, promotion opportunities, and job stability, those after retirement place greater importance on personal responsibility for their work, opportunities for social interaction, maintaining a daily rhythm through work, and staying physically active. After retirement, many people tend to become socially isolated as their human relationships weaken. The absence of commuting can also lead to a loss of daily structure and tension, which may negatively affect health. Therefore, this paper takes a multifaceted look at the two major sources of anxiety after retirement: economic issues and physical and mental well-being. It also explores technical aspects related to alleviating these anxieties and examines strategies for living a fulfilling life after retirement. It should be noted that this study focuses primarily on cases from Japan.

Keywords: Retirement; Anxiety; Economic issues; Re-employment; Start-up; Retirement rewarding

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1. Introduction

In the past, the standard retirement age was 55. However, it has since been raised to 65 by law. This paper examines the evolution of the retirement age system through a series of legislative amendments^[1].

The oldest retirement age system in Japan was the retirement age of 55, set in 1887 by the weaving

regulations of the Tokyo Artillery. At that time, many companies set the retirement age at 55. After that, the Elderly Employment Security Act was revised in 1986 to make the retirement age of 60 mandatory. In addition, as the revision of the law in 1994 prohibited the retirement age under the age of 60, the retirement age in Japan was set at 60.

The ban on the retirement age system under the age of 60 was implemented in 1998, and the reason for this revision of the law was the extension of life expectancy and the low birth rate. In the 2000s, the Elderly Employment Security Act was revised several times again to realize the 65-year-old retirement age system. In the 2013 revision, all applicants were employed by the age of 65 in stages. Specifically, employers were required to adopt one of the following options:

- (1) Raising the retirement age to 65;
- (2) Abolishing the mandatory retirement age system;
- (3) Introducing a continuous employment system that enables employees to work until the age of 65.

From April 2021, a revised law is in effect that requires companies to secure employment up to the age of 70, as well as employment up to the age of 65, which is a duty of companies. Movement on extending the retirement age is expected to become active in the future (**Figure 1**).

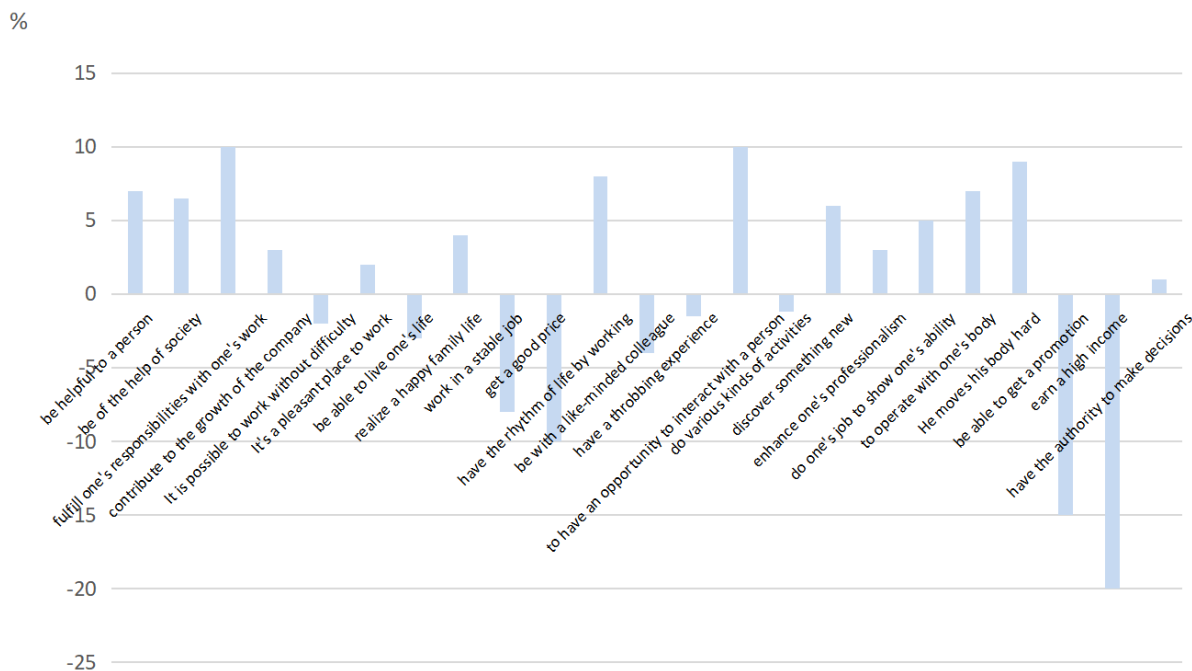


Figure 1. Changes in values of work before, after, and after retirement ^[2].

2. Re-employment after retirement

According to **Figure 2**, when we reach the retirement age, we often face economic difficulties. Amid the improvement of living standards and various material abundances, fixed living costs have increased and values have changed. Therefore, the number of seniors who wish to work is on the rise even after retirement. However, even if it is re-employed after retirement, it is the same as in the active duty era, but the treatment is very different. In other words, the type of employment must be renewed every year, and the overtime pay that the

manager has not experienced in the active duty era is only possible for 10 hours a week. Eventually, wages will be cut by 40%. A notable development is the revision of the Employment Security Act for the Elderly, which, as of April 2025, mandates that all companies ensure employment opportunities for workers up to the age of 65. With this opportunity, 80% of companies choose the re-employment system, and 50% of employees hope to be re-employed at the company, regardless of whether they are working. Although disparities in treatment persist in re-employment practices, it is noteworthy that overall satisfaction levels are increasing. According to a survey by the Likert Work Institute in, the rate of work satisfaction is overwhelmingly increasing after the retirement age of 60. Satisfaction with work declines from the twenties, and the age of 50 declines to 35.9%, but then increases to 45.3% for the age of 60 and 59.6% for the age of 70. The Rikert Work Institute suggests that while work can have positive and enjoyable aspects, this is partly attributable to reduced working hours, which limit excessive workloads and responsibilities. In the active era, people had to work hard to raise children or repay home purchase loans, but the elderly could choose a free way of working (**Figure 2**).

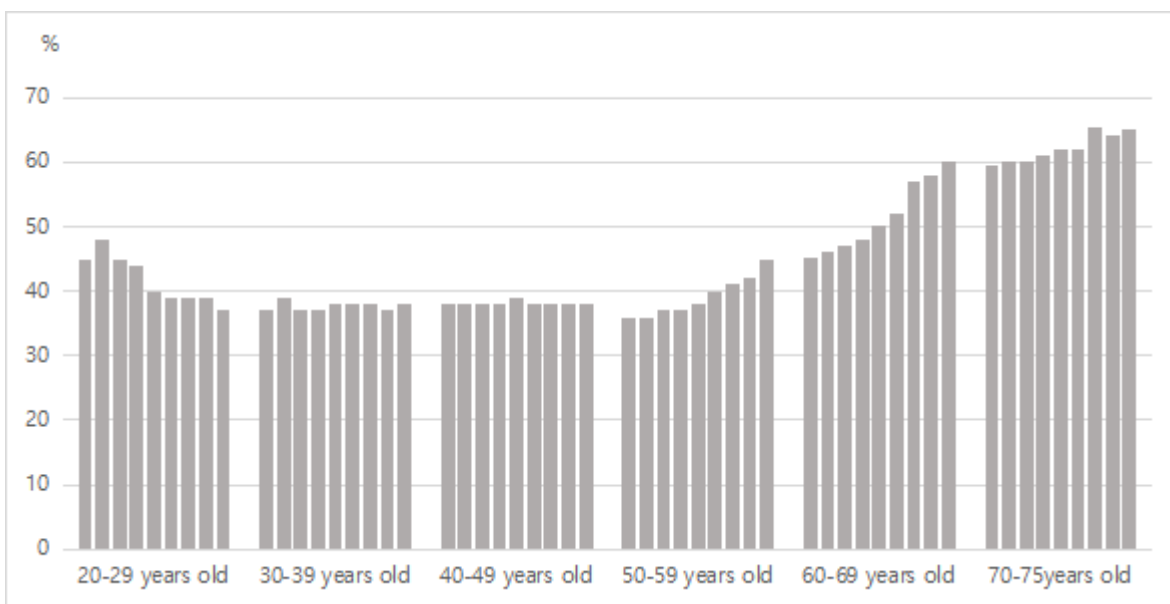


Figure 2. Percentage of people who are satisfied with their work ^[3].

3. Retirement age and psychological anxiety

Upon reaching retirement age, individuals often experience a sudden increase in leisure time, which can lead to feelings of boredom and anxiety. If the boredom persists, people feel anxious. German philosopher Martin Heidegger, who studied the nature of boredom and anxiety, discusses in his book “Existence and Time” ^[4]. Martin Heidegger characterizes boredom as a direct, lived experience, such as the tedium felt while waiting for a tram or the sense of emptiness that arises after an unfulfilling dinner. By contrast, what Martin Heidegger refers to as “deep boredom” arises unexpectedly. For example, during a walk on a day off. Its cause is often unclear, yet it produces a pervasive sense of indifference. In this state, one no longer responds to things with ordinary preferences or aversions; everything appears flat and devoid of significance. Experience loses its usual vitality, and one feels neither stimulated nor engaged. This condition can be understood as a form of existential constraint, in which the individual is unable to escape a diffuse sense of being bound.

Martin Heidegger interprets this condition in terms of the temporal structure of human existence. Human

beings live across three dimensions of time, the future, the past, and the present. In everyday life, individuals exist in the present while simultaneously anticipating the future and reflecting on the past. For example, when preparing to meet someone or go somewhere, the future comes to the foreground: one considers what to wear or what to say based on prior experiences. At the same time, decisions, such as choosing clothes or selecting the color of a tie, are made in the present moment. In this way, human life unfolds as a continuous, integrated movement across these temporal dimensions.

According to Martin Heidegger, the natural condition of human existence is inherently linked to boredom because humans are inevitably bound to time. While individuals can control their actions within time, they cannot control time itself. When work or structured activity disappears, boredom arises as a fundamental mood. Although this feeling is ever-present, people often conceal it through work, childcare, hobbies, or volunteering, effectively distancing themselves from it. Heidegger does not view this “escape” negatively; rather, it is a necessary aspect of daily life, allowing individuals to maintain their ordinary routines.

Martin Heidegger also identifies boredom and anxiety as fundamental human moods. Although these feelings are often subtle and easily overlooked, they are constantly present in human existence. During periods of work and daily obligations, individuals rarely reflect on themselves or contemplate mortality, except in moments of illness. However, after retirement, when time becomes more abundant, people naturally turn inward, confronting themselves. In this context, boredom can give rise to a subtle, underlying anxiety, manifesting as vague fears in old age. Heidegger emphasizes that, by their very nature, humans are ultimately faced with themselves.

4. Post-retirement path

4.1. The path of three choices

According to **Table 1**, most office workers feel pressured to make decisions about their post-retirement lives based on the official retirement age. While some individuals have the financial security and desire to enjoy leisure, many face economic challenges or mental and physical anxieties after retirement. In such cases, continuing to work can help alleviate psychological stress. In an era of increasing life expectancy, giving up work is increasingly seen as outdated. Employment provides income, reducing economic worries, while maintaining social relationships helps prevent loneliness and supports mental well-being. Moreover, a structured work life can contribute to physical health. Three main pathways support a fulfilling life after retirement: reemployment, changing careers, or starting a business, each with its own set of strengths and weaknesses, as summarized in **Table 1**.

Among these options, reemployment is often the most comfortable because individuals are already familiar with the work environment. However, it can involve a loss of authority, or situations where former subordinates become supervisors, and income may decrease significantly. Changing jobs can offer the potential for higher positions and increased income, but in practice, salaries often decline, and securing a new position after age 50 can be challenging. For many, starting a business becomes the most viable option. While former office workers may face high anxiety and unstable income, entrepreneurship allows them to pursue work they find meaningful and enjoyable. Unlike reemployment or career changes, starting a business is not bound by a retirement age, providing the possibility of lifelong employment.

Table 1. Advantages and disadvantages of the three choices

Path of choice	Advantages	Weaknesses
Rehiring	<ol style="list-style-type: none"> 1. It's reassuring to be able to work in the same environment as in the active era 2. It's a familiar job, so I can make use of my experience 3. Although my salary is lower than in the active era, I can earn income 	<ol style="list-style-type: none"> 1. A former subordinate may be a supervisor 2. Work is not pleasant because one is not authorized to do so 3. Income has been greatly reduced, and he is forced to end at the age of 65
Change jobs	<ol style="list-style-type: none"> 1. To be able to extend the retirement age 2. Have the potential to work in a better position than now 3. The lifetime income increases 	<ol style="list-style-type: none"> 1. The size of the company may be small 2. One's salary may be reduced 3. It is difficult to change jobs if you are at least 50 years old
Startups	<ol style="list-style-type: none"> 1. It's worth it because you do what you want to do 2. It's fun not to be part of an organization, and to be able to work freely 3. If you do well, your income may increase compared to the active era 	<ol style="list-style-type: none"> 1. I'm anxious because I don't belong to the organization 2. You have to continue your work as a competitor 3. The income is not stable

4.2. Entrepreneurship is a lifelong workplace

One of the greatest advantages of starting a business after retirement is that it can simultaneously address the three major anxieties of money, loneliness, and health. By continuing to work, individuals can secure a stable income, reducing economic concerns. Maintaining social interactions through business activities helps prevent isolation, while following a structured routine supports physical and mental well-being. Despite these benefits, many hesitate to start a business due to a lack of confidence. However, anyone with experience as a long-term office worker possesses the skills and discipline needed for entrepreneurship, making it a viable and rewarding path that can surpass the limitations of reemployment.

There are five key principles to keep in mind when starting a business after retirement as follows:

- (1) Timing is crucial: The ideal period is in your 50s or 60s, when you have accumulated expertise and professional connections that serve as valuable assets, and can also receive welfare pensions;
- (2) It is important to manage risk carefully. Running a start-up as a sole proprietor minimizes stress from human relationships while placing full responsibility on yourself;
- (3) Avoid large initial investments such as hiring employees, renting office space, or taking loans, since minimizing startup costs reduces the consequences of potential failure;
- (4) Do not expect substantial profits immediately; most start-ups may see little to no profit for the first two to three years. However, if you have additional income from work or pensions, this can dramatically improve life after retirement;
- (5) Prioritize long-term engagement: Focusing on sustainable work relieves mental and physical anxiety, allowing you to continue activities that are beneficial without taking on excessive risk.

4.3. Combination of professionalism

Before diving into specific start-up techniques, it is important to reconsider work in the context of a 100-year life. There are two major “walls” that shape life and career: the retirement wall at around 60–65, and the physical-strength wall at around 75. These boundaries significantly influence the way one works, forming what is called a “triple career,” consisting of three stages.

The first stage is the traditional office-worker experience. Although income is relatively high, time, place, and work restrictions limit freedom, and this period naturally ends with retirement. The second stage begins after retirement, when income may be unstable, but one can focus on specialized, meaningful work without constraints of retirement age or employment periods. The third stage occurs as physical capacity declines; here, work is adapted to fit one's health and energy, with reduced income, but the focus is on enjoyment and the fulfillment of life. Planning a start-up after retirement should strategically consider these three stages.

Regarding what type of work to pursue, the key is to combine expertise in a way that creates unique value. A single area of expertise may be rare, but combining two or more exponentially increases one's impact. Office workers often accumulate at least two areas of expertise over their careers. The combination should reflect what one enjoys, what can be sustained over time, and what allows for continuous trial and error, regardless of age.

To identify strengths and expertise, consider where you have invested the most time and resources in your life, these often reveal what you enjoy and excel at. Life and career reconsideration involves evaluating your motivations, abilities, and values, then listing multiple strengths, ranking them, and combining your top two. Ultimately, assessing how these combinations meet real-world needs is the key for forming a foundation for meaningful and sustainable work after retirement.

5. Understanding of pension after retirement

5.1. The pensions trap

According to **Figure 3**, In Japan, pensions are paid from the age of 65 and are received throughout life. However, even though pensions are received throughout their lives, the number of pensions they receive is decreasing every year. **Figure 3** shows the case where a person who receives a pension of 2 million yen receives a pension in each year. At the year of 2000, the amount received was 1.95 million yen. However, the amount received every year decreased to 1.78 million yen by 2025. The actual amount received during this period decreased by about 170,000 yen. Increased taxes or social insurance premiums levied on pensions has contributed to the decrease in the amount received. Income tax, resident tax, national health insurance premiums (over 75 years of age), and nursing insurance premiums are included in the pension. The remaining amount is the pension amount. Depending on the amount of tax and social insurance premiums levied on the pension, the amount of tax and social insurance premiums. As of 2025, if the pension amount is 1.4 million, it will be 5% if it is 1.8 million yen, 10% if it is 1.8 million yen, and 15% if it is 2.4 million. It is important to recognize that the nominal value of a pension, the amount stated in official documents, often differs from the actual amount ultimately received.

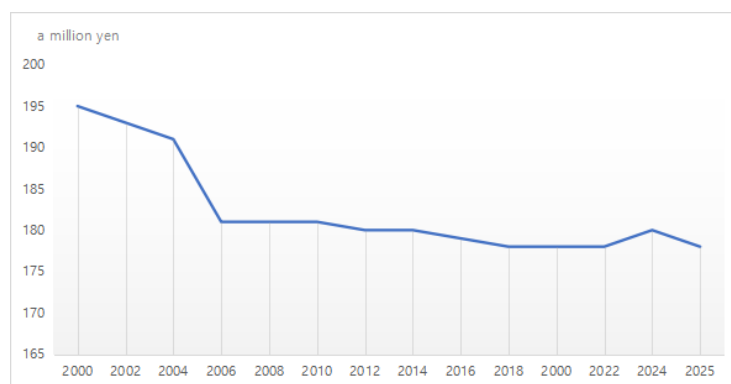


Figure 3. Trend of decreasing pension amount ^[5].

5.2. Increase pension receipts

In some sectors, the burden of social insurance premiums is unavoidable due to low birth rates and an aging population. However, taxes can be managed to reduce financial strain. Pensioners are not always required to submit a final tax return if the following certain conditions are met:

- (1) Their total income, including public pensions, is less than 4 million yen;
- (2) Their non-pension income subject to taxation is less than 200,000 yen.

Nevertheless, if one is eligible for income deductions, such as medical expense or life insurance deductions, submitting a final return can reduce taxes and potentially increase pension benefits. One strategy for optimizing pension receipts is to plan before pension payments begin, ensuring proper timing and application of deductions.

In principle, pension payments begin at age 65, but individuals can choose to start receiving benefits anytime between ages 60 and 75. This flexibility allows for either early or delayed pension collection. If pensions are claimed early, between ages 60 and 64, the monthly pension amount is reduced by 0.4% for each month before age 65. For example, starting at age 60 results in a pension rate of 76%, a 24% reduction. Conversely, if pension receipt is delayed beyond 65, from ages 66 to 75, the monthly pension amount increases by 0.7% for each month of delay. Delaying until age 75 raises the pension rate to 184%, an 84% increase. Importantly, the chosen pension rate at the start of payments continues for life, meaning the total amount received over a lifetime depends on both the start age and individual longevity.

According to the 2023 Simple Life Table Overview of the Ministry of Health, Labor and Welfare, the average life expectancy of Japanese is 81.09 years for men and 87.14 years for women ^[6]. The average life expectancy at the age of 65 is 19.52 years for men and 24.38 years for women. This means that half of men aged 65 now survive to the age of 85, and half of women survive to the age of 90. Moreover, it is thought that life expectancy will increase in the future. If the pension is delayed to increase the number of benefits, the out-of-pocket burden decreases when medical and nursing expenses are more expensive than expected. However, there are still few users carried forward. According to the outline of the welfare pension insurance and national pension projects (2023), 10.4% of the 34.22 million national pension recipients receive benefits earlier, compared to only 2.2% who receive them later. In order to reduce the increase in the burden of future taxes and social insurance premiums, it is important to increase the amount of pension benefits by using carry-over payments to the extent possible.

5.3. Increased pensions with cohabitation families

When a person who has subscribed to the welfare pension for more than 20 years reaches the age of 65, he or she will receive the old-age pension. At that time, if there is a family member who can make a living, a family pension is added. The family pension is a system called the family allowance of the pension. Spouses under the age of 65 and children under the age of 18 (children under the age of 20 in the case of disability level 1 and 2).

Family pensions are available regardless of whether the husband or wife is older, but they apply only to welfare pensions. Individuals who are first insured under the National Pension system, such as self-employed persons or freelancers, are not eligible. As of 2025, the annual family pension amounts are 4,159,000 yen for a spouse, 239,300 yen for a second child, and 79,800 yen for each subsequent child. For example, if a 65-year-old husband has a wife five years younger, his welfare pension would increase by approximately 2.08 million yen over five years.

However, there are cases in which the family pension cannot be received:

- (1) If the spouse's annual income exceeds 8.5 million yen for more than five years;
- (2) If the spouse has contributed to the welfare pension for more than 20 years and is receiving the old-age welfare pension, the special payment old-age welfare pension, or a disability pension;
- (3) If the spouse begins receiving an early old-age pension (in which case the pension would start at 65);
- (4) If the old-age pension is deferred.

5.4. Relaxation of pension subscription requirements

When households face economic difficulties, many women take part-time work. However, their work decisions are often constrained by income “walls” related to social insurance eligibility. One key threshold is 1.06 million yen per year, which determines eligibility for the welfare pension. If annual income is below this level, individuals cannot enroll in the welfare pension. While recent reforms are expected to remove the three-year minimum income requirement, expanding coverage and future pension benefits, the current system still creates disincentives.

If a spouse's support is counted, additional insurance premiums may reduce take-home income, discouraging work. In practice, working more than 20 hours a week can trigger eligibility for social insurance. For example, if the hourly wage is high enough that annual income exceeds 1.06 million yen, workers face a “20-hour wall,” meaning their earnings make them liable for contributions. Another important threshold is 1.3 million yen: above this level, support is withdrawn, and individuals must enroll in their own National Health Insurance or National Pension, increasing costs. Below 1.3 million yen, social insurance premiums are not required, and as a third insured person, one can still receive the basic pension, which discourages work.

While working more can increase income, the higher premium burden offsets some of these gains. Even if total household income remains positive after paying social insurance for annual earnings above 1.7 million yen, caution is needed: the 1.06 million yen threshold only considers basic salary and allowances, whereas the 1.3 million yen threshold includes all income, making the system complex and affecting work incentives.

6. Reestablishing the family economy

After retirement, it becomes essential to reorganize the family's financial situation. According to a survey by the Cheil Life Economic Research Institute, understanding household income and expenditure is more important for financial security than simply knowing the total asset amount. As shown in **Figure 4**, a clear grasp of income and expenses is necessary. Approaching the age of 60, individuals can estimate future income from severance pay or pensions, providing a basis for planning. However, expenditure is often overlooked. A practical first step is to create a household budget, ideally in collaboration with family members, to ensure a comprehensive understanding of financial needs and resources.

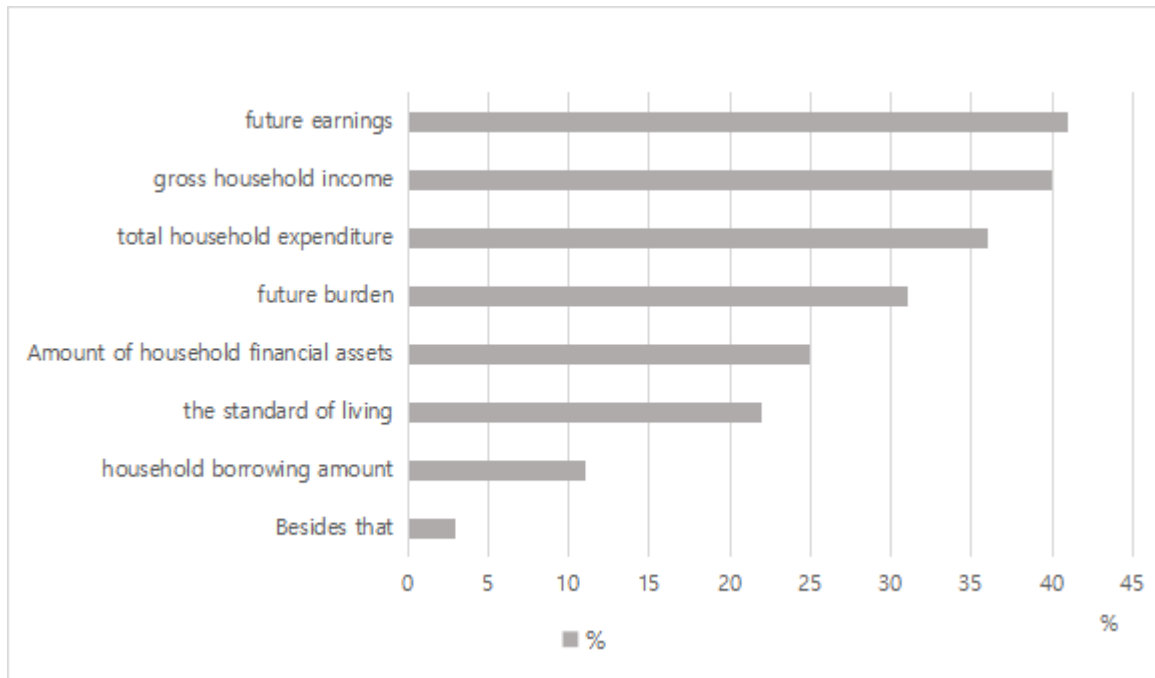


Figure 4. Factors affecting households and assets-satisfaction ^[7].

After retirement, it is important to manage time and resources wisely to create a fulfilling and balanced life as outlined:

- (1) Reviewing household spending can reveal unnecessary expenses, such as unused subscriptions or redundant services, allowing for monthly savings;
- (2) Excessive re-employment may be counterproductive. While previous work provided clear achievements, re-employment often lacks authority and meaningful tasks, reducing motivation and increasing stress. In such cases, exploring alternative work, changing jobs, or starting a business may be more rewarding;
- (3) Participation in multiple communities is beneficial. Retirement can bring anxiety about how to fill increased free time, and a sense of belonging is important. Narrowing engagement to a single community can create difficult relationships or a lack of escape. Instead, forming or joining groups with like-minded peers provides social support without the constraints of hierarchical or established structures;
- (4) Marital relationships require balance. While retirees may want to spend more time with their spouse, excessive involvement, such as planning elaborate trips, can intrude on the partner's established routines. Maintaining personal space and a healthy distance within the marriage helps both partners enjoy retirement;
- (5) Pursuing qualifications can be rewarding, but focusing solely on certificates may have limited value. Building connections while learning is often more effective, as relationships help translate skills into opportunities, including business ventures. Meeting new people and engaging with younger generations can reveal personal strengths and open new paths. After retirement, with time and resources available, it is important to approach activities intentionally, avoiding meaningless tasks and focusing on pursuits that are both enjoyable and meaningful.

7. Change of consciousness about work

Many people view work after retirement as trivial or cling to the pride of their active-duty years, but such attitudes often hinder success. While knowledge and experience from earlier careers are valuable, excessive pride is unrelated to post-retirement work and can be an obstacle. In other words, adapting one's mindset is crucial.

In reality, individuals in their 60s and older are unlikely to achieve high income or prestige through post-retirement work. However, many find purpose in social contributions, especially in their 70s. The satisfaction comes not from status or earnings, but from seeing the positive impact of one's efforts on others. Success in this stage requires the ability to build interpersonal relationships, pursue self-directed learning, and maintain physical capacity. Increasingly, retirees seek value in activities that enhance their skills and well-being.

Continued learning remains important, but older adults must recognize their limits. The current labor shortage provides many opportunities, yet it is essential to work within one's abilities without overexertion. Balancing effort with capability is a key factor in achieving fulfillment and happiness after retirement.

8. Conclusion

In 2019, the Japanese Financial Services Agency estimated that approximately 20 million yen is needed for a stable life after retirement. For example, an unemployed couple, where the husband is 65 or older and the wife has been a full-time homemaker for 40 years, has an average monthly income of 209,000 yen but monthly expenditures of 264,000 yen, resulting in a deficit of about 55,000 yen. By the time the husband reaches age 95, this deficit accumulates to roughly 20 million yen, which is the basis for the agency's recommendation. To calculate retirement funds, it is important to consider medical and nursing care costs for those aged 75 and older, estimated at 10 million yen. Specifically, medical expenses after age 65 average 3.69 million yen, and nursing care costs are about 5.8 million yen, totaling roughly 9.49 million yen, or about 10 million yen. Living expenses must be planned separately. Additionally, the difference between post-retirement income, primarily pensions, and expenditures should be accounted for. The 20 million yen figure is an average as of 2019, but actual income and expenses vary across generations. Consequently, the amount of funds available at retirement age (e.g., 60) influences not only financial planning but also decisions about post-retirement work and lifestyle. This leads to the categorization of four types of old-age financial planning.

8.1. Financial management and risk considerations for retirees with assets and continued employment

For retirees with significant assets, such as a reserve fund of 30 million yen combined with operating income from severance pay, working after retirement can provide financial stability, eliminating major economic concerns. However, caution is necessary: unchecked spending can quickly undermine this balance. For example, costly home renovations or maintaining two residences in rural areas that exceed one's financial level can rapidly deplete cash reserves. Additional risks arise if serious illness occurs after age 75 or if unexpected expenses related to cognitive decline appear. To mitigate these risks, it is advisable to plan household improvements early, such as reducing medical insurance premiums by around 30,000 yen per month. Thoughtful management of spending and careful planning are essential, regardless of the type of retirement lifestyle chosen, to maintain both security and peace of mind.

8.2. Asset-rich retirees with a relaxed lifestyle: Managing deficits and contingencies after age 65

Even with sufficient assets and severance-derived operating income, retirees who adopt a fully relaxed lifestyle may face financial challenges if expenditures are not carefully managed. For example, a couple planning extensive domestic and international travel after retiring at age 65 may experience a continuous annual deficit. Simulations indicate that, with enjoyment of travel and a 1% annual inflation in living costs, ceasing part-time work after 65 can immediately expand this deficit. After age 80, reductions in physical capacity may prompt a shift to closer destinations, allowing the asset balance to recover to approximately 30 million yen.

Nevertheless, retirees must anticipate potential medical and nursing care costs, which can total around 20 million yen. Individual examples include approximately 500,000 yen for the husband in cases such as breast cancer or hip injury, while the wife may incur expenses for cataracts or cognitive impairment requiring long-term care. To mitigate financial pressure, retirees should employ cost-saving measures during travel, such as senior discounts or low-cost airlines, aiming to maintain a minimum asset balance of 10 million yen.

Additionally, a contingency reserve of 1–2 million yen is recommended to cover unplanned expenses, such as housing renovations, even if a portion of funds (e.g., 5 million yen) is allocated for supporting a child's home purchase. While estimated housing costs may be 360,000 yen per year, renovation costs have been rising. Modifying travel plans and avoiding abrupt shifts to high-risk investments, such as stocks, is crucial to maintain stability. Maintaining light work that generates approximately 1 million yen per year until age 70 further supports a secure and balanced post-retirement life.

8.3. Retirees with insufficient assets: The necessity of continued work and pension postponement

For retirees with limited assets, continued work until around age 70 may be essential to maintain financial stability. In this scenario, annual balances can remain positive, but the situation is precarious, as each individual ideally requires approximately 10 million yen in retirement assets. If the annual balance turns negative, the overall asset base will decline.

Simulations show that if part-time work ceases before age 70, the annual balance after age 71 becomes negative, resulting in a gradual depletion of assets. By age 82, the asset balance may fall below 10 million yen, leaving households highly vulnerable to unexpected expenses, such as nursing care. At age 65, it is therefore critical to reassess living costs, estimated at 2.77 million yen annually, and consider strategies to optimize retirement income.

One key option is postponing the wife's pension. If she delays pension receipt beyond age 65, her annual pension increases by approximately 42%, or 1.18 million yen, significantly improving the household's financial balance. This approach demonstrates the importance of careful planning and flexible strategies for retirees with insufficient assets to ensure long-term stability.

8.4. Retirees with limited assets: Saving strategies and the role of part-time work

For households with minimal assets, strict control of living expenses is essential. In this scenario, annual expenditures are limited to approximately 2.16 million yen at age 60, which requires significant lifestyle restraint, such as foregoing travel entirely. Despite careful budgeting, the annual balance between ages 61 and 64 remains negative, as no post-retirement work is undertaken. Pension receipt temporarily improves the balance, but from age 71 onward, deficits re-emerge and become increasingly difficult to rectify.

Medical and nursing care costs generally rise after age 75, making it challenging to maintain a minimum asset balance of 10 million yen. For example, by age 85, assets may fall to 5.24 million yen, and by age 97, the balance can become negative. Furthermore, limited post-retirement work reduces the duration of welfare pension enrollment. Starting pension benefits at age 65 results in relatively low annual payouts, approximately 2.83 million yen for a couple, making savings difficult.

To mitigate these risks, part-time work for at least five years is recommended. Earning an additional 2 million yen over this period can significantly improve the household's asset balance. Overall, retirement planning requires careful consideration and implementation. For former office workers, work after retirement can provide not only financial security but also a sense of purpose, social engagement, and meaningful contribution, emphasizing the importance of balancing health, income, and personal fulfillment in later life.

Disclosure statement

The author declares no conflict of interest.

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