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## Schwab Real Life Retirement™ Services

Let's talk about the retirement you want. Call 877-673-7970

### If I go back to work, can I participate in a 401(k)?

If you go back to work, you're legally entitled to participate in your employer's 401(k) plan. As long as you're employed by that company, there's no cutoff age. Just be sure that it makes sense for your particular financial circumstances.

### Take the next step

- [Send us an email.](#) 
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Here are a few questions to ask yourself when considering a new 401(k):

### Will the increase in income mean a higher tax bracket?

Earning a paycheck may place you in a higher tax bracket. If that happens, and you're drawing Social Security, your Social Security benefits could be taxed more as well. Deferring money into your 401(k) could keep you in the lower bracket.

### Is your employer matching your contributions?

Later in life, when you have less time to wait for your 401(k) to grow, the employer match is the most important reason to contribute. The match is essentially extra income, so participate right up to the point of the maximum match. You can contribute more, but consider which is more important to you: current income or building wealth for your future.

### Will 401(k) withdrawal put you in a higher tax bracket?

Keep in mind that you'll pay income tax on any money you withdraw from a 401(k). If you're withdrawing from a traditional taxable brokerage account instead, you'll benefit from a generally lower capital gains treatment.

### At what age do you plan to withdraw from your 401(k)?

When you're 70½ or older, you'll be required to start withdrawing from your 401(k), or you'll face a penalty. You wouldn't have this requirement with a taxable brokerage account.

### Quick Poll

#### If you're retired, do you plan on re-entering the workforce?

- Yes
- No
- I'll wait and see

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[See results](#)

### Next steps

- Talk to your 401(k) administrator and confirm that your employer offers matching 401(k) contributions.
- Consider your choice between keeping your income versus contributing to your 401(k) beyond the employer match to build future wealth.
- Consider consulting with a tax expert or Schwab Financial Consultant to find out whether the additional income will affect your Social Security benefits at tax time.

[See all questions](#)