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The Pension Decisions You Can’t Take Back

Our Friends · Tuesday, November 10th, 2026

Most financial choices can be corrected. You can rebalance a portfolio, refinance a loan, or change a contribution next month. An Arizona State Retirement System (ASRS) pension isn’t like that. A few of the decisions attached to it are made once, in a moment, and then they stay with you for life.

That is why **planning around an ASRS pension** deserves more attention than it usually gets. For members, the real risk isn’t picking a bad investment. It is signing a form you didn’t fully understand.

Decision one: the date

Your retirement date sets your starting benefit, and it can set it permanently. Leaving at one age instead of another can change the monthly amount for as long as you collect. It can also change when your health coverage begins, when you can claim Social Security, and how long your savings must cover the gap.

People often choose a date because of a birthday, a school year, or a feeling that they are done. Those are all fair reasons to leave, but they are not a plan. The better question is what the date does to your income, your taxes, and your insurance once the paychecks stop.

Decision two: the benefit option

When you retire, you generally choose how the benefit is paid. Some choices give a higher monthly amount during your life and less, or nothing, to a surviving spouse. Others give up some income today to protect someone after you are gone.

There is no universally right answer. It depends on your spouse’s age and health, their own income and benefits, whether you have life insurance, and how much you worry about the survivor’s standard of living. A couple with two pensions faces a very different choice from a couple living on one.

What matters is that the choice is generally final. You can’t come back in ten years and switch because your circumstances changed. So run each option against real household numbers, including what happens to the surviving spouse’s income, before you sign.

Decision three: going back to work

Many retirees want to keep working, whether part time, as a consultant, or in a new role. That is a reasonable plan, but the pension system has rules about it. Hours, timing, and how long you have been retired can all affect whether your pension continues, pauses, or changes.

The trouble is that the rules are easy to trip over. Someone accepts a role in good faith, works more hours than they realized, and discovers the consequences afterward. Check the rules for your situation before you say yes to any job, and get the answer in writing where you can.

Decision four: how the pension fits with everything else

The pension is only one part of your retirement income. Social Security, savings, and any supplemental accounts all sit alongside it, and the order you use them in affects your taxes. So does the timing of Roth conversions in lower-income years. Healthcare costs before Medicare are another piece people forget to price in.

Getting these pieces to work together is where a **financial planner for ASRS members** can earn their keep. An independent view can catch the gap you hadn’t seen, or confirm that your plan is sound so you can retire with confidence.

What to do before you sign

- Write down your monthly spending and subtract your guaranteed income
- Compare each benefit option against your spouse’s needs
- Check the return-to-work rules before accepting any job
- Map out health coverage from your last day until Medicare
- Update your beneficiaries on every account
- Give yourself time, because rushing is the most expensive mistake

The pension is a gift of stability, but only if you use it well. Take the time to understand the choices that can’t be undone, and you’ll make them with your eyes open.

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