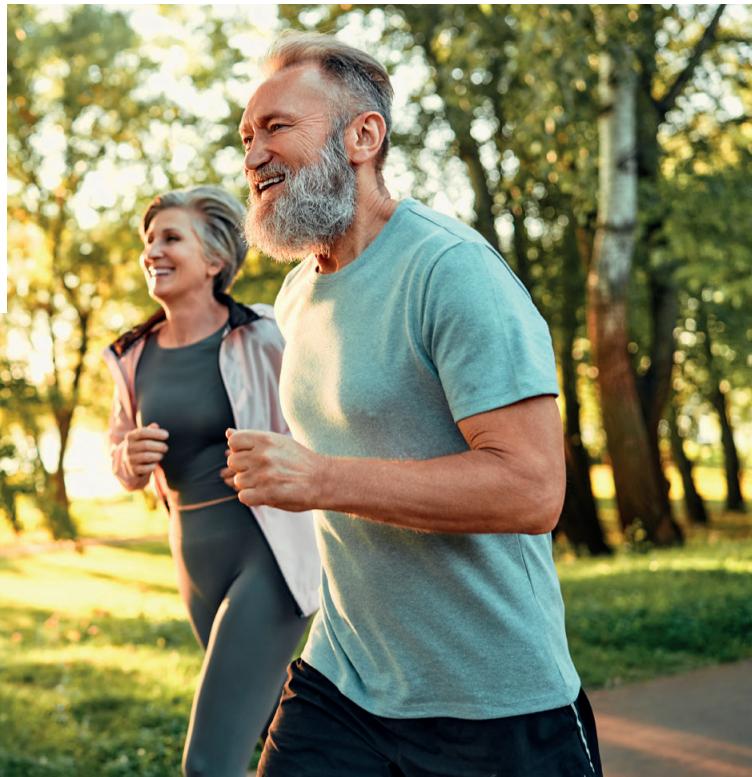


HOW 'FLEXTIREMENT' IS RESHAPING RETIREMENT

Why more Australians are easing into retirement, not exiting completely



For many Australians, retirement no longer means shutting the laptop, handing over the keys, and heading straight to the golf course. More and more people are choosing to scale back, not step out, as they ease into this next life stage. It's a growing trend known as 'flexirement': a flexible path to retirement that allows people to reduce work without leaving it behind entirely.

Whether it's to stay active, remain socially connected or simply because they still enjoy what they do, Australians are redefining what it means to retire, and finding that a phased approach often feels better than a full stop.

Flexirement is already happening, just not always by design

According to recent statistics, more than 70% of Australians aged 50 to 64 have no intention of retiring completely.¹ Even among those aged 65 and over who are still working, many are doing so for reasons beyond just money: around one in four say they work for social connection, routine, mental stimulation or purpose.²

Participation rates among older workers have also risen steadily over the past two decades. In 2000, just over half of Australians aged 55 to 64 were in the workforce. Today, it's more than 70%, with participation among people aged 65 and over almost doubling in that time.³ Whether for financial reasons, to keep the brain firing or a bit of both, there's no doubt that more and more Australians are remaining in the workforce than ever before.



The role of identity in retirement planning

For many, work is about more than just a pay cheque – it's closely tied to our identity. And when many of us spend years “climbing the mountain” in their career, only to find a sheer cliff on the other side, it can be unsettling. Over the years, your job can become part of who you are, offering structure, purpose, connection, and a sense of accomplishment. Letting go of that all at once can be daunting, even if retirement is something you've looked forward to.

That's where a gradual step-by-step down the career mountain can make emotional and practical sense. Some people move to part-time hours. Others shift into mentoring, training or occasional project work. Staying connected to the workplace, even in a reduced capacity, can make the transition easier to manage emotionally, socially and practically.

Workplace reforms

While the trend is clear, flexible work arrangements for older Australians haven't always kept pace. Some organisations still lack formal policies or pathways for experienced staff to reduce their hours, adjust responsibilities or move into mentoring roles. This can leave people feeling like they either have to keep working full-time or leave altogether, even if they'd prefer something in between.

In sectors like healthcare, education and emergency services, where knowledge and relationships are built over time, this can be a lost opportunity for both the organisation and the individual. With workforce shortages affecting many of these sectors, supporting flexible transitions makes good sense, for individuals and organisations alike. Experienced staff who transition out over time can help transfer knowledge, mentor younger colleagues and keep essential services running smoothly.

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1 Association of Superannuation Funds of Australia. Survey: Pathways to Retirement, 2024

2 Association of Superannuation Funds of Australia. Survey: Pathways to Retirement, 2024

3 Household Income and Labour Dynamics (HILDA) Survey, 2025

CONTINUED - HOW 'FLEXTIREMENT' IS RESHAPING RETIREMENT



Planning for flexibility in life and income

If you're starting to think about retirement, it's worth having early conversations about your options. Some employers offer transition-to-retirement programs or flexible pathways. Others may be open to more informal arrangements if you take the lead.

These conversations don't need to be overly formal. You might start by talking to your manager about how your role could evolve over the next few years. Some begin by reducing hours gradually, transitioning to project-based work or mentoring, or stepping away from physically demanding duties. The key is to be clear about your goals, open about your needs, and ready to explore what's possible together.

It's also worth exploring how your defined benefit may be impacted by changing your work arrangements and what's possible from a financial planning perspective.

If you're unsure where to start, Aware Super's My Retirement Planner™ helps you maximise your savings to prepare for retirement. Simply start with including your estimated SASS retirement benefit balance and play with some different scenarios based on different paths you can take. To try it now go to aware.com.au/retirementplanner.

There's no one way to retire anymore

Retirement today is as individual as we are. For some, stepping away completely is the right move. For others, keeping a foot in the door through flexible work, volunteering, or project roles can offer a more satisfying balance.

Flextirement isn't about working forever. It's about creating your version of retirement, on your terms, at your pace. It's a reminder that you don't have to follow a set script. Whether you're ready to slow down or still have energy to give, a phased approach can offer the freedom to design your next chapter the way that suits you best.

So, if you're thinking about what comes next, don't just look at your bank balance, think about what brings you energy, purpose and connection. Retirement might not be the end of work. It could be the start of something even more fulfilling.

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