Using a categorized pictures paradigm, Koutstaal and Schacter (1997) reported high levels of false recognition of lures that were categorically related to presented items. Although also shown by younger adults, false recognition was markedly higher for older adults. To probe the factors underlying this age difference, these experiments required participants to engage in more careful scrutiny of the items at retrieval or to notice specific differentiating perceptual features of the objects during encoding. False recognition was reduced with each of these manipulations, but neither manipulation, either separately or together, eliminated the age difference in false recognition. Older adults can considerably reduce false recognition if encouraged to use more stringent decision criteria. Persistent difficulty in opposing familiarity-based responding and comparatively more generic encoding may contribute to residual deficits.