

Key milestones as you near and start retirement

Your age affects how you can withdraw funds from your retirement accounts and can serve as a guidepost for adjusting your saving strategies.

50

After age 50, maximum annual contributions increase by **\$1,000 for an IRA and \$6,000 for a 401(k) or 403(b)**. These are commonly called catch-up contributions.



55

+0%

Per the IRS Rule of 55, you may be able to withdraw funds from your current employer-sponsored 401(k) or 403(b) plans **without incurring a 10 percent penalty if you've left your job in or after the year you turn 55 and your employer's plan supports this rule** (regular income taxes still apply). It does not apply to IRAs, or if you roll your 401(k) or 403 (b) into an individual IRA.

At 55 and 59 1/2, determine if you need the money now, or if you can wait. If you need the money, assess the potential tax impact. Which accounts you draw from first will have a different impact on your tax situation. At 55 or older, some employers will allow current employees "in-service distributions" to rollover their 401(k) or 403(b) to an IRA penalty-free; check with yours.

59 1/2

When you're **first allowed to withdraw funds from a traditional IRA or workplace retirement plan without incurring penalties**. However, distributions of before tax contributions and earnings may be subject to income taxes.



60



If your spouse or ex-spouse (to whom you were married for at least 10 years, not remarrying until after turning 60) has died, age 60 is the **first year you can collect a Social Security survivor benefit**.

62

The **first year you qualify to collect Social Security retirement benefits**. However, collecting your benefit this early will result in a lower monthly benefit than if you waited until full retirement age. Also, if you continue to work, one dollar of benefits is withheld for every \$2 earned above \$18,960 until you reach full retirement age.



65



Medicare eligibility begins. If you are collecting Social Security benefits, you are **automatically enrolled in Medicare Part A**. Otherwise, you have a seven-month period around your 65th birthday month to enroll. Consider whether you want any additional Medicare coverage during this period as well.

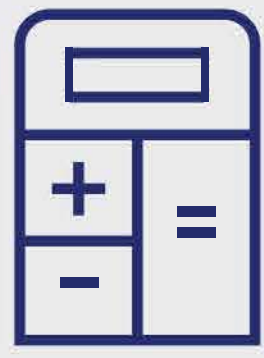
66, 67

Full retirement age depending on your birth year.

- 1943-1954: Full Social Security benefits eligibility begins at 66.
- 1955 through 1959: Eligibility ranges from age 66 to 67.
- 1960 or later: Full retirement age is 67. Social Security benefits won't be reduced at this point, but you can get a higher payout by waiting a few more years.



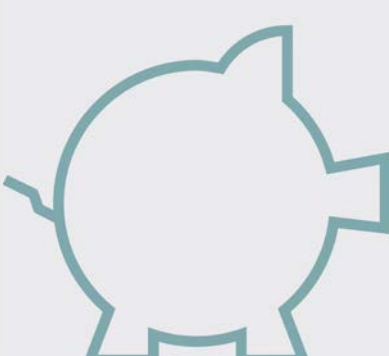
70



At this point there is **no additional advantage in delaying collecting Social Security** retirement benefits. Benefits received at age 70 can be up to 32 percent higher than benefits at your full retirement age.

72

You are **required to take minimum distributions (RMDs)** from workplace retirement plans (unless you are still working for that employer and your employer's plan allows you to delay) and traditional IRAs by April 1 of the year after you turn 72. Required minimums are determined with tables from the IRS and must be calculated each year.



Throughout retirement

Continue to manage your investments, savings and insurance. Work with a financial professional to manage your income and update your estate plan if necessary.

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