Use this retirement timeline to help determine the ages you should pay special attention to. It's a helpful tool to use as you develop a retirement income strategy with an insurance professional.



# **AGE 50: INCREASE RETIREMENT SAVINGS**

**Contribute up to \$10,000 plus \$6,000 in catch-up to 401(k)** Starting in 2015, pre-retirees age 50 and over can contribute up to \$18,000 PLUS up to \$6,000 in catch-up contributions (if allowed by employer) to their 401(k) plan.

# **AGE 55: PENALTY-FREE 401(k) ZONE**

# No federal tax penalty on withdrawals

If you retire at age 55 or older, you can potentially take distributions from your 401(k) or other employer-sponsored retirement plans without incurring penalties. You can avoid the usual 10% federal tax penalty on early withdrawals, but note that you'll still owe income taxes on these distributions.

#### AGE 59 1/2: PENALTY-FREE IRA ZONE

# No penalty on IRA withdrawals

Once you hit this half birthday, you may take IRA withdrawals without getting penalized. Traditional IRA withdrawals are taxed as income. Roth IRA distributions are tax-free and penalty-free if the Roth IRA has been held for at least five years.

#### AGE 62: SOCIAL SECURITY ELIGIBILITY

# Eligible to start receiving social security benefits

At age 62, you may be eligible to receive Social Security benefits. Keep in mind that if you start taking benefits at this age, your benefits will be reduced by a fraction of a percent for each month before your full retirement age (which varied depending on your birth year).

#### **AGE 65: MEDICARE ELIGIBILITY**

# Eligible to sign up for Medicare benefits

Medicare is federal health insurance for people 65 or older and those under 65 with certain disabilities. Your initial enrollment period includes the month of your 65th birthday and the three months before and after. If you are already receiving Social Security benefits you will automatically be enrolled in Medicare, in most cases. You can learn more by visiting: medicare.gov

# AGE 70: MAXIMUM SOCIAL SECURITY BENEFITS

**Eligible for increased payments after delaying benefits** If you delay claiming social security benefits, you may be eligible for increased payments. But after age 70 there is no additional incentive for delaying benefits.

#### **AGE 72: MINIMUM DISTRIBUTIONS**

Must start taking your annual required distributions (RDMs)
At this age, you must start taking your annual required minimum distributions (RMDs) from retirement accounts, such as a traditional IRA. Take note that RMDs are taxed as ordinary income.

# Ready for Retirement?

Retirement—it's what you work your whole life for. While everyone will have their unique ideas for retirement (travel, spend time with family, a second career), there are some common challenges the next generation of retirees face.

These include longer life expectancies, inflation, market volatility, and taxes, all of which can make the prospect of a sustainable retirement difficult. And what if you have other goals, such as passing on a legacy to the next generation?

Our biggest goal is to help position our clients toward their ideal retirement and address the challenges they may face. We do this by building plans that address their specific needs and unique objectives.

We recognize how important retirement is for you. Whether you are just now saving, about to retire, or already in retirement, we have the solutions and experience to help you.



# Our Keep-It-Simple Approach

