



Birthdays to Remember

Beyond being a year older, there are some birthdays that hold retirement and tax significance.

50

CATCH UP CONTRIBUTIONS

At age 50, you are able to make "catch-up" contributions to your employer or individual retirement plan. Each type of retirement plan has a different catch-up amount, so consult your advisor or tax professional.

55

EARLY RETIREMENT WITHDRAWALS

If you leave your current job, for any reason, anytime after your 55th birthday, you may withdraw from your 401(k) or 403(b), from your current employer, without penalty, unless you roll it into an IRA.

59 1/2

RETIREMENT WITHDRAWALS

At age 59 1/2 you are eligible to take withdrawals from you all 401(k), other employer, and individual retirement accounts. A tax efficient withdrawal plan is key,

62

EARLIEST AGE TO DRAW SOCIAL SECURITY

At age 62 you can choose to start drawing social security. If you opt to do this, your benefit amount will be lower than it would have been had you waited until your full retirement age. If you continue to work (whether full-time or part-time), your benefits may be suspended or reduced until you reach full retirement age.

65

MEDICARE

Three months before your 65th birthday you can sign up for Medicare. It best to start early, at this three month mark, so you can start benefits when you turn 65. If you miss this deadline, you may risk a permanent increase of premiums. It is also a good time to look at Medigap policies, depending upon your needs and savings.

66-67

FULL RETIREMENT AGE

Depending upon your birth year, age 66 or 67 is considered full retirement age for drawing social security benefits. Remember that if you opt to delay the start of the Social Security benefits, the benefits will continue to increase for every year you wait until age 70. A portion is taxable income.

70 1/2

QUALIFIED CHARITABLE DISTRIBUTIONS

At age 70 1/2, you are eligible to make qualified charitable distributions from your pretax retirement accounts. These donations are not treated as taxable income.

72

REQUIRED MINIMUM DISTRIBUTIONS

At age 72, you are required to withdraw from all pretax retirement accounts if you are retired. There are certain circumstances that allow those still working to not withdraw from their current employer.

Enjoy these milestones! With proper saving and retirement income planning, each one can be a reason to celebrate.

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