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Important Retirement Dates

Age matters. We believe that the following considerations and strategies by age can be critical to retirement planning. A thorough understanding of all dated milestones may benefit you throughout your retirement years, which could be as much as one-third of your life. Please discuss your unique situation with a financial professional and your own tax advisor before implementing any plan or strategy.

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Age 50

At age 50, maximum contributions to retirement accounts can increase. These increased savings are commonly called "catch-up" contributions. In 2016, those age 50 and older may qualify (depending on income levels) to:

- Contribute $6,500 to an IRA (rather than the standard $5,500 annual limit); and
- Contribute an additional $6,000 to a workplace savings plan (401(k) or 403(b)) above the standard limit.

Age 59½

At this age, you are first allowed to access dollars from either a workplace retirement plan (if you have separated from service with that employer) or a Traditional IRA without penalty. However, any distributions of pre-tax contributions and earnings may be subject to income taxes. Given the increasing likelihood of a long life expectancy, you may want to consider delaying taking distributions from your tax-advantaged retirement plans as long as possible.

Age 60

If a spouse or ex-spouse (if you were married for at least 10 years and have never remarried) has died, this is the first year to collect a Social Security survivor benefit.

Age 62

This is the age when you first qualify to collect Social Security retirement benefits. Keep in mind that if you choose to collect your benefit beginning on your 62nd birthday, your monthly benefit will be 25 percent lower than what you are eligible to collect at your "full retirement age" of 66 or 67. A key consideration is whether, based on family history and personal health, you anticipate a long life expectancy. If so, you may be better off delaying taking Social Security. Also keep in mind that if you plan to keep working, one dollar of Social Security benefits are withheld for every $2 of earnings above $15,720 (in 2016) up to the year you reach your full retirement age.

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Age 65

You become eligible for Medicare at this age. If you are already collecting Social Security retirement benefits, you are automatically enrolled in Medicare Part A, which provides basic hospital benefits. If you aren't yet a Social Security recipient, you have a seven-month window around the month of your 65th birthday (three months prior and three months after) to enroll. It is also the time to make decisions about enrolling in Medicare Part B (doctor's services), Part D (prescription drug plan) and a Medicare supplement plan (to cover out-of-pocket costs). As an alternative to traditional Medicare, you can choose a Medicare Advantage Plan instead.

Age 66 to 67

If you were born in 1943 through 1954, you become eligible for "full" Social Security retirement benefits in the month of your 66th birthday. For those born between 1955 and 1959, full retirement age increases incrementally from age 66 to 67 (visit www.ssa.gov for details). Full retirement age for those born in 1960 and later is 67. Once you reach full retirement age, you also have the ability to continue working and earn extra income without having Social Security benefits reduced. You still have the option of delaying Social Security and receiving a higher payout up to your 70th birthday.

Age 70

If you haven't started collecting Social Security benefits by this age, you may want to consider doing so. There is no additional advantage to delaying past your 70th birthday. Benefits received at age 70 can be 32 percent higher than those received at full retirement age.

Age 70½

You must begin taking required minimum distributions from workplace retirement plans (unless you still work for that employer) and Traditional IRAs by April 1 of the year after you turn age 70½. The required distribution amount is determined using tables provided by the IRS and must be calculated each year.

Throughout retirement

Regularly review your investments, savings, and insurance as well as estate planning documents to determine if changes or updates are needed.

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We are committed to providing resources to help you take steps toward strengthening your financial confidence. From saving for education to retirement and legacy planning—our tools provide real insight at every life stage.

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