

# MILESTONE AGES

## ON THE WAY TO RETIREMENT

As you progress on the road to retirement, there are certain "milestone ages" you will reach along the way. What makes these ages so important? Each has major implications for your finances and requires planning in advance. Here are three milestone ages to know:

### Age 59.5

#### EARLY WITHDRAWAL PENALTY ENDS

When you turn 59.5, the early withdrawal penalty on your IRA and 401(k) will end. This means you can withdraw money from retirement accounts without facing a 10% penalty if you ever need an infusion of cash. But be careful, because any withdrawals will still be taxed as regular income! Generally, it's best to leave the money where it is if possible.



### Age 66-67

#### FULL RETIREMENT AGE (FRA)

Depending on when you were born, at this age you can begin taking Social Security benefits without any reduction. The table below shows the FRA for every birth year starting with 1955.\*

Year of Birth	Full Retirement Age
1955	66 and 2 months
1956	66 and 4 months
1957	66 and 6 months
1958	66 and 8 months
1959	66 and 10 months
1960 & Up	67 years of age



### Age 72

#### REQUIRED MINIMUM DISTRIBUTIONS

When you turn 72, you must begin taking annual withdrawals from any 401(k)s, 403(b)s, or traditional IRAs that you own. (Roth IRAs don't require withdrawals until after the death of the owner.) These withdrawals are called Required Minimum Distributions, or RMDs. Each RMD is taxed as ordinary income, but failure to take one each year results in a 50% penalty based on the amount you should have withdrawn.



### Need help?

As you can see, there's a lot to plan for as you get closer to retirement. So, if you ever need help with calculating how much you need to have saved, how to maximize your Social Security benefits, or how much to take out in RMDs, feel free to contact me. I'm always here to help!



\* "Retirement Benefits," Social Security Administration, <https://www.ssa.gov/benefits/retirement/planner/agereduction.html>