Institutional Retirement & Trust

Milestone ages of retirement planning

No matter where you are in life, there are steps you can take toward helping create a more secure retirement. Consider these key ages of retirement planning as you review your unique situation and establish a retirement plan customized for your age and stage.

Age 50

Take advantage of "catch-up" contributions. You may be able to make additional contributions to your retirement plan account, if allowed by your plan. These "catch-up contributions" allow you to put an extra $6,000 into your account each year starting the calendar year in which you turn 50. You also have the opportunity to make an additional $1,000 contribution to your IRA.

Consider speaking to a professional about long-term care insurance. Healthcare costs continue to rise, and so does the impact of healthcare on retirement planning. It is estimated you will need approximately $285,000[1] for healthcare expenses in retirement.

Age 55

There is a potential for penalty-free distributions. You may be able to take a distribution from your employer-sponsored retirement plan without incurring the 10% early distribution penalty if you separate from service in the year you turn age 55 or older.[2]

Age 59½

You can now take a distribution without incurring a 10% penalty. You have the ability to take distributions from your employer-sponsored plan and any IRAs without incurring the 10% penalty. Keep in mind, you generally owe federal and perhaps state taxes when you take a distribution.

Social Security

Social Security benefits can begin from age 62 to age 70. When considering your individual situation and timing of taking Social Security benefits, keep in mind:

1) Social Security benefits may be taxable at any age, and
2) The impact of earning limits. You can receive Social Security retirement benefits and work at the same time.

If you are younger than Full Retirement Age (FRA) and earn more than the allowable limit, your benefits will be reduced. Once you reach FRA, the earning limits go away. Visit **ssa.gov** for helpful resources to assist you in making your individual decision.

Year of birth	Full Retirement Age (FRA)
1943-1954	66
1955	66 + 2 months
1956	66 + 4 months
1957	66 + 6 months
1958	66 + 8 months
1959	66 + 10 months
1960 or later	67

Age 62 – Minimum age to receive Social Security benefits: Benefits are permanently reduced if you begin taking distributions prior to FRA.

Age 66-67 – See the chart to determine your FRA.

Age 70 – For each month past FRA that you delay taking your Social Security benefit, you will receive a credit that will permanently increase your Social Security benefit. After age 70, it is no longer financially beneficial to continue delaying your benefit.

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Important retirement decision points after age 55						
Age 55 If you leave your company in the year you turn 55 or older you can take distributions from that plan with no IRS penalty[2]	**Age 59½** Can distribute tax-deferred assets without 10% IRS penalty	**Age 62** Partial Social Security benefit eligibility	**Age 65** Medicare benefit eligibility	**Age 66** Full Social Security benefit eligibility[3]	**Age 70** Maximum Social Security benefit eligibility	**Age 70½** Must take Required Minimum Distributions (RMDs)[4]

Medicare age

Sign up for Medicare three months before reaching age 65. Otherwise, your Medicare medical insurance, as well as prescription drug coverage, could be delayed, and you could be charged higher premiums. You may postpone signing up for Medicare Part B (doctor coverage) until up to eight months after leaving your employer. If you delay past the eight month deadline, you may incur a 10% penalty assessed on all future premiums for life.

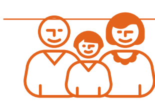
Keep in mind, Medicare is not a free service. To avoid high out-of-pocket expenses beyond the standard coverage of Medicare Part A and Part B, you may consider supplemental Medicare coverage. For more information, visit medicare.gov or contact a Medicare specialist at 800-MEDICARE.

Age 70½

Beginning at age 70½, required minimum distributions (RMDs) must be taken. You have until April 1st of the year following the year you turn 70½ to take your first required distribution from Traditional, SEP and/or SIMPLE IRAs, and former employer-sponsored plans such as 401(k), 403(b), governmental 457 plans, or employer plan Roth accounts. If you are still employed, you may be able to postpone starting RMDs if your employer's plan allows.

After the first year, RMDs must be taken by December 31 of each year.

Make sure your primary and secondary beneficiaries are in place. Beneficiary designations are established with each retirement account and at each financial institution and should be updated at major life events such as the birth of a child or grandchild, a marriage or divorce, or the death of a beneficiary. To ease the process of beneficiary planning, you may want to consider consolidating retirement accounts.



Beneficiaries named in retirement accounts take precedence over instructions in a will or trust.

Everyone has a different vision of retirement. You may want to talk to a financial professional for guidance about your specific situation.

Investments in Retirement Plans:

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

[1] Fidelity Investments annual analysis, April 2019.

[2] A similar rule applies to distributions from certain government defined benefit plans made to public safety workers age 50 or older.

[3] Full Social Security benefits begin at age 66 for those born from 1943-1954. For those born 1955-1959 they begin at age 66 plus a varying number of months. For those born in 1960 or later they begin at age 67.

[4] Traditional, SEP and SIMPLE IRAs as well as former employer-sponsored plans including employer plan Roth accounts. You may be able to delay RMDs from your current plan if you are still working, unless you are a 5% or more owner of the company.

Visit ssa.gov for more information on Social Security benefits concerning spousal benefits and/or survivor benefits.

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