

# Important Ages for Retirement

## Schwab Center for Financial Research

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### Overview

We believe that there are important ages to pay attention to for retirement planning. Your age may open up eligibility to certain benefits, affect the maximum amount you can contribute to a retirement account, and determine when you need to make required minimum distributions. Not all milestones require action, but a general awareness of them is important.

Age	Milestone	Possible Action
50	<a href="#">Catch-up contributions</a> are allowed to an IRA or company retirement plan, such as a 401(k).	Consider contributing up to the maximum catch-up amount to make up for any past shortfalls or to get even more ahead. Catch-up contribution limits are now indexed to inflation. Beginning in 2025, higher catch-up limits will apply for those age 60 to 63.
50 to 60	You may qualify for potential retiree benefits from work based on age and time-in-service (company stock, pension, retiree healthcare, and other benefits).	Review work-related benefits for retirees to understand what will be available to you in retirement and what may need to be replaced. Review stock vesting provisions upon retirement and pension choices, if available.
55	<a href="#">Catch-up contributions</a> are allowed to a Health Savings Account (HSA).	Consider contributing up to the maximum catch-up amounts to help pay for medical needs or to save more towards health expenses in retirement.
55	<a href="#">10% early withdrawal penalty</a> no longer applies to a qualified retirement plan, such as a 401(k) or 403(b), if you separated from your employer at age 55 or later ( <a href="#">age 50 for qualified public safety employees</a> such as law enforcement officers, private and public sector firefighters, and air traffic controllers).	If you're considering early retirement, a possible strategy is to roll over an IRA or old 401(k) into your employer plan to get access to the funds early without penalty.
59½	The <a href="#">10% early withdrawal penalty</a> no longer applies to IRAs or qualified retirement plans.	Being able to begin withdrawals from qualified retirement accounts without penalty does not necessarily mean you should. Work with an advisor to create a personalized retirement and income plan.
60	The <a href="#">surviving spouse</a> is eligible for Social Security benefits.	With an advisor, discuss Social Security strategies with surviving spouse benefits.

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Age	Milestone	Possible Action
62	Eligible for early retirement benefits from Social Security.	Most retirees should consider <a href="#">waiting to take benefits</a> to increase Social Security payments, unless those benefits are needed for expenses or as part of a couple's strategy ( <a href="#">earned income may affect benefits received</a> ).
65	Eligible for Medicare.	Get education and counseling on Medicare choices from a local <a href="#">state health insurance assistance program</a> . If you plan on retiring early, review options for <a href="#">health insurance</a> coverage before Medicare eligibility.
65	The HSA <a href="#">20% penalty</a> no longer applies on non-qualified distributions.	If you don't need HSA funds for medical expenses, you could use these funds to pay for living expenses; however, taxes may be owed on any non-medical distributions.
66 to 67	Eligible for <a href="#">full retirement age</a> (FRA) benefits from Social Security.	With an advisor, review strategies for taking Social Security now or waiting for delayed retirement credits (8% per year) up until age 70.
70	Maximum benefits for Social Security attained.	Don't delay Social Security benefits beyond this age.
70½	Eligible for <a href="#">Qualified Charitable Distributions</a> from an IRA.	You can give up to \$105,000 in 2024 (indexed for inflation) directly from your IRA to a qualified tax-deductible charity.
73	<a href="#">RMDs</a> begin at age 73.	The first RMD is due by April 1 of the following year after reaching age 73 for people who turned 72 after Dec. 31, 2022.

Source: Schwab Center for Financial Research

### Bottom line

Work with your advisor to add, modify, or delete milestones to tailor this list to your specific retirement journey.

#### Rob Williams, CFP®, RICP®, CPWA®

As Managing Director of Financial Planning, Retirement Income, and Wealth Management for the Schwab Center for Financial Research, Rob leads a team that develops research, insights, methodology, and training for Schwab clients, representatives, and advisors. These focus on financial planning and wealth management across an investor's life cycle, including saving for, preserving, and distributing assets in retirement.

#### Chris Kawashima, CFP®

As Director of Wealth Management Learning and Development for the Schwab Center for Financial Research, Chris is responsible for financial planning and retirement income issues.

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