



## Milestone Birthdays for Retirement-Planning Purposes

Birthdays may seem less important as you grow older. They may not offer the impact of watershed moments such as getting a driver's license at 16 and voting at 18. But beginning at age 50, there are several key birthdays that can affect your tax situation, health-care eligibility, and retirement benefits.

**50** — Taxable distributions from IRAs and qualified employer retirement plans before age 59½ are generally subject to a 10% early distribution penalty (25% for certain SIMPLE IRA plan distributions) on top of any federal income taxes due. But if you are a qualified public safety employee you can take penalty-free withdrawals from your qualified retirement plan after leaving your job if your employment ends during or after the year you reach age 50.

**55** — If you're not a qualified public safety employee, you can take penalty-free withdrawals from your qualified retirement plan after leaving your job if your employment ends during or after the year you reach age 55.

**59½** — All withdrawals from qualified retirement plans and IRAs are penalty-free after you reach age 59½, whether or not you're still employed.

**62** — You are eligible to start collecting Social Security benefits, although your benefit will be reduced by up to 30%. To receive full benefits, you must wait until "full retirement age," which ranges from 66 to 67 depending on the year you were born.

**65** — You are eligible to enroll in Medicare. Medicare Part A hospital insurance benefits are automatic for those eligible for Social Security. Part B medical insurance benefits are voluntary and have a monthly premium. To obtain coverage at the earliest possible date, you should generally enroll about two to three months before turning 65.

**73** — You must start taking minimum distributions from most tax-deferred retirement plans after reaching age 73 (for those who reach age 72 after December 31, 2022) or face a 25% penalty on the

amount that should have been withdrawn (the penalty may be reduced to 10% if corrected in a timely manner). Annual required minimum distributions are calculated according to life expectancies determined by the federal government.



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