

Important Ages When Planning

20s **Save & Invest As Much As Possible!**

- ▶ Target savings 15-25% of your income
- ▶ Avoid debt not used to acquire assets

30 ▶ Retirement savings benchmark: **1x** annual salary

- ▶ Avoid debt not used to acquire assets

45 ▶ Retirement savings benchmark: **3x** annual salary

- ▶ Avoid debt not used to acquire assets

50 ▶ “Catch-up” contributions allowed to retirement accounts

55 ▶ Retirement savings benchmark: **5x** annual salary

- ▶ Oregon PERs (Tier I and II) employees can take pensions with reduced benefits (reduced by 8%/yr below age 58)
- ▶ Some 401k accounts allow penalty-free distributions
- ▶ “Catch-up” contributions allowed to **Health Savings Accounts (HSAs)**

58 ▶ Oregon PERS employees (General Service) that are vested can take Tier I retirement pensions with full benefit (age 60 if you are a Tier II General Service member)

59.5 ▶ Penalty-free distributions from all “retirement” accounts (401k, 403b, IRA, Roth IRA, SEP, SIMPLE)

62 ▶ Can take Social Security, but should not if working (earning >\$21,240/yr in 2023) OR have assets to draw and will live past ~ 80 years old

- ▶ Each year delaying Social Security gains you annual increases of ~ 8%

65 ▶ Medicare eligible—yay! Good target to stop working full time

- ▶ Sign up for Medicare Parts B, C, D
- ▶ HSA distributions can be used penalty-free for retirement income

67 ▶ **Full Social Security Retirement Age (FRA)**. You can collect Social Security and still work without penalty for earning >\$21,240/yr. in 2023.

70 ▶ Begin Social Security (if you haven't already) given there is no further benefit increase beyond this age.

70.5 ▶ Consider beginning your **Qualified Charitable Distributions (QCDs)** from your IRA in this window between ages 70.5 and 73.

73 ▶ Must take **Required Minimum Distributions (RMDs)** from IRA/401k accounts based on IRS life expectancy formula.

***75** for those born after 1959