ICMARC
BUILDING PUBLIC SECTOR RETIREMENT SECURITY

CRITICAL AGES FOR RETIREMENT PLANNING

50	Beginning in the year you reach age 50, you may make additional "catch-up" contributions to eligible employer retirement plans and IRAs. In 2021, participants age 50 or older may contribute up to an additional: ▸ $6,500 over the regular $19,500 contribution limit to both a 457 deferred compensation plan and a 401(k) plan, for a total of $26,000 to each plan. ▸ $1,000 over the regular $6,000 limit to an IRA, for a total of $7,000. If you are a qualifying public safety employee, you may take withdrawals from a governmental defined benefit plan or 401 defined contribution plan, without being subject to a 10 percent early withdrawal penalty tax. Separation from service must occur in or after the year you turn age 50.
55	If eligible, you may begin withdrawing from retirement plans sponsored by the employer you left without being subject to a 10 percent penalty tax (the penalty tax does not apply to 457 deferred compensation plans[1]). Separation from service must occur in or after the year you turn age 55.
59½	You may begin withdrawing from employer retirement plans, if eligible under plan rules, or from an IRA without incurring the 10 percent penalty tax (the penalty tax does not apply to 457 deferred compensation plans[1]).
62	You can begin receiving your Social Security benefits; however, the amount will be reduced by 25 to 30 percent, depending on the date of your birth.
65	You may enroll in Medicare, if eligible, and purchase Medigap insurance at standard rates. If you sign up for Medicare after three months have passed since the month of your 65th birthday, you may face higher premiums. Your Medigap open enrollment period lasts for six months starting on the first day of the month in which you are 1) at least age 65 and 2) enrolled in Medicare Part B. During this period, an insurance company cannot deny you a Medigap policy, make you wait for coverage, or charge you more for a Medigap policy because of your health.
66–67	Depending on your date of birth, you may begin unreduced Social Security benefits during this age range and earn any amount related to employment without impacting this benefit.
70	You may begin maximum Social Security benefits, if your starting date was delayed to this age. There is no advantage to delaying benefits past this age.
72	Required minimum distributions (RMDs) from employer retirement plans and Traditional IRAs begin the year you reach age 72. You may generally delay RMDs from plans sponsored by an employer for whom you are still working until you retire.

1 10% penalty tax never applies to withdrawals of original 457 plan contributions and associated earnings. But a penalty may apply to non-457 plan assets rolled into a 457 plan and subsequently withdrawn prior to age 59½.

49881-1120-W394