

# Key Retirement Ages and Decisions

## In your 40s:

Set up systematic savings strategies to balance qualified and non-qualified assets

Find a financial planning professional if you don't already have one

Evaluate the need for life insurance\*

*\*The younger you buy, the less expensive it is and the easier it is to qualify, and with permanent insurance, the more cash value it can accumulate.*

*\*Consider a death benefit amount that would replace your income for surviving spouse and children (or for children's caregivers should you and your spouse both die) and pay your mortgage, medical expenses, student and auto loans, children's college education or other needs.*

40s

40s

## In your 50s:

Find a financial planning professional if you don't already have one

Evaluate your future income sources and needs

Consider long-term care (LTC) planning options such as:

- Buying traditional LTC insurance, hybrid LTC-life insurance or hybrid LTC-annuity insurance\*
- Transferring a life insurance policy's cash value to an LTC or hybrid insurance policy\*
- Using a health savings account (HSA) to pay LTC insurance premiums\* and out-of-pocket LTC expenses associated with receiving medical care

*\*Because LTC insurance rates are largely based on your individual health, which tends to decline as you age, the earlier you start paying premiums, the lower your rates will be.*

50s

## At 62 years old:

The earliest you can start taking Social Security — but at a reduced amount.

For every year you delay taking your Social Security benefits past Full Retirement Age, you get a bump of 8% in your benefit but only until age 70.

60s

## At 64 years and 6 months:

The earliest you can sign up for Medicare Supplement to cover what Medicare doesn't pay.

You can enroll in a Medicare Supplement plan up to six months before your 65<sup>th</sup> birthday. You cannot, however, enroll in Original Medicare, Medicare Advantage (Part C), or a Part D Prescription Drug plan until three months before your 65<sup>th</sup> birthday.

## At 59 years and 6 months:

When you can begin withdrawing from your traditional IRA or retirement savings plan account without the 10% early withdrawal penalty and from your Roth IRA without penalty.

- **Long-term care planning opportunity:** Meet with your advisor to review strategies to most efficiently purchase an LTCi or hybrid policy.

## At 65 years old:

At 65, you are eligible for Original Medicare (Part A hospital insurance and Part B medical insurance), but you can sign up as early as three months before your 65<sup>th</sup> birthday and as late as three months after the month you turn 65.

If you don't sign up within this seven-month period or within eight months of leaving a job with group health coverage, you may pay late-enrollment penalties for Medicare Part B and Part D (prescription drug coverage).

- **Long-term care planning opportunity:** When you sign up for Medicare and a Medicare Supplement health insurance policy, you may pay lower premiums than your previous health insurance required — meet with your advisor to evaluate deploying cost savings into LTCi premiums.

## At 70 years old:

The age at which Social Security delayed retirement credits are no longer applied.

Waiting to start claiming beyond age 70 will not increase your benefits.

## At 73 years old:

When those born 1951-1959 must start taking required minimum distributions from their tax-deferred retirement plan, such as a traditional IRA or 401(k), 403(b), or 457(b) plan or face paying penalties.

## At 75 years old:

When those born 1960 or later must start taking required minimum distributions from a traditional IRA and 401(k), 403(b) or 457(b) or face paying penalties.

## At 67 years old:

Full Retirement Age (FRA) — the age at which you are eligible to start receiving full Social Security benefits — if you were born in 1960 or after.

## 82 years old:

Average life expectancy for man reaching 65 today.\*<sup>a</sup>

## 85 years old:

Average life expectancy for a woman reaching 65 today.\*

\* Social Security Administration, Actuarial Life Table using mortality rates for 2021 for the 2024 Trustees Report.

80s

## 90 years old:

Some may need to plan for a longer life expectancy: there's a 43% chance that at least one member of a couple will live to age 90.\*

\*"Social Security Administration, Period Life Table, 2020," (published in the 2023 OASDI Trustees Report); American Academy of Actuaries and Society of Actuaries, Actuaries Longevity Illustrator, <http://www.longevityillustrator.org/> (accessed January 2024), J.P. Morgan Asset Management.

90s

70s