WINNACLE·WEALTH™

2026 EDITION

A Complimentary Financial Guide

Important Birthdays Over 50

The big “Five-O” — now the real fun begins. Before you plan your retirement, mark these pivotal dates on your calendar. Starting at age 50, several birthdays (including a few half-birthdays) carry crucial implications for your retirement future.

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50

CATCH-UP CONTRIBUTIONS BEGIN

Age 50

At age 50, workers with certain qualified retirement plans can make annual **“catch-up” contributions** in addition to their normal contributions. In 2026, you can contribute up to **$7,500** to an IRA if you are under 50 and **$8,600** if you are 50 or older. You can contribute a total of **$24,500** to your 401(k), 403(b), Thrift Savings Plan, and 457(b) in 2026 — or a total of **$32,500** for those over 50.[1]

Those who participate in a Savings Incentive Match Plan for Employees (SIMPLE) 401(k) or SIMPLE IRA can contribute **$17,000** in 2026, and if you are over 50 with that type of account, you can contribute **$21,000**.

SECURE 2.0 — THE SUPER CATCH-UP

Under a change made in the SECURE 2.0 Act, a higher catch-up limit applies to employees aged **60, 61, 62, and 63**. For 2026, this higher catch-up contribution is an additional **$11,250**, bringing the total to **$35,750**. A similar change applies to some SIMPLE plans: the higher catch-up limit for this age range with most SIMPLE plans is **$5,250**, bringing the total to **$26,250**.

55

THE RULE OF 55

Age 55

Many people aren't aware that they might be able to withdraw from their 401(k) or 403(b) account starting at age 55. If you leave your job for any reason in or after the year you turn 55, you can withdraw from the retirement plan at the job you left **penalty-free**.

Note that this doesn't apply to 401(k)s or 403(b)s you have with previous employers, and that this rule is only true for 401(k) and 403(b) employer-sponsored retirement accounts.[2]

59½

PENALTY-FREE WITHDRAWALS

Age 59½

Once you reach 59½, you can withdraw from your IRA, 401(k), and most other retirement accounts **without incurring the 10% penalty**. You can access your funds at this age regardless of your retirement status and pay no early withdrawal penalty fee.[3]

However, the ease with which you can access funds may depend on your 401(k) administrator's rules. Check with your administrator to see if your plan allows what is called an **"in-service" distribution** at age 59½. Some 401(k) plans allow this, and others do not.[4]

62

EARLIEST SOCIAL SECURITY CLAIM

Age 62

The earliest you can claim Social Security benefits is age 62. However, claiming benefits before your full retirement age will result in a **permanently smaller benefit**. If you wait to claim past your full retirement age, your benefit will increase by as much as **8% per year** you defer, until age 70.[5]

IF YOU WORK WHILE CLAIMING

If you're planning on working while receiving Social Security, keep in mind that your benefit can be reduced. The earnings test works in tiers:

- Beneficiaries **under** full retirement age who earn more than **$24,480** in 2026 will have **$1 withheld for every $2** earned above this limit.
- In the year you **reach** full retirement age, the limit jumps to **$63,160**, and the penalty eases to **$1 withheld for every $3** earned above it.
- **After** you reach full retirement age, no benefits are withheld if you continue working.[6]

65

MEDICARE ELIGIBILITY

Age 65

Whether you're new to Medicare, getting ready to turn 65, or preparing to retire, you'll need to make several important decisions about your health coverage. If you wait to enroll, you may have to pay a penalty, and you may have a gap in coverage. The first time you can enroll is called your **Initial Enrollment Period** — a 7-month window that:

- Begins **3 months before** the month you turn 65,
- **Includes** the month you turn 65, and
- Ends **3 months after** the month you turn 65.

You can enroll in **Part A** (hospital insurance) when you turn 65, even if you still have health insurance through an employer. Since most people paid Medicare taxes while they worked, they won't have to pay a monthly premium for Part A. If you are already receiving Social Security benefits, you will be **automatically enrolled** in Medicare Part A and Part B.

You can decline **Part B** (medical insurance) coverage because it requires an additional premium payment. But if you aren't covered by an employer's health plan and decide to enroll later, you may have to pay a penalty for as long as you're enrolled.[7]

65–67

FULL RETIREMENT AGE

Age 65–67

Between ages 65 and 67, individuals become eligible to receive **100% of their Social Security benefit**, depending on when they were born.[8] In 2026, recipients got a **2.8% Cost of Living Adjustment (COLA)** to their benefits.[9] Thanks to this increase, the maximum benefit for retirees claiming at age 67 in 2026 rises to **$4,207 per month**.[10]

Although not everyone earns the maximum benefit, everyone can strategize to maximize their benefit. Start by reviewing your benefit statements regularly to make sure you're getting credit for the taxes you're paying into the system — this also makes it easier to decide when to claim.

UPDATE · ONE BIG BEAUTIFUL BILL ACT

An additional senior deduction. From 2025 to 2028, retirees 65 and older can deduct an additional **$6,000** from their income. This applies to those with a modified adjusted gross income under **$75,000** (individuals) or **$150,000** (joint filers) — and it can be used whether you itemize or take the standard deduction, offering extra flexibility for retirees on a fixed income.[11]

FAST FACT

If you change your mind about receiving Social Security benefits, you may be able to **withdraw your claim** if it has been less than 12 months since you were first entitled to benefits.[12]

73

REQUIRED MINIMUM DISTRIBUTIONS

Age 73

As of 2022, the SECURE Act 2.0 changed the age at which **Required Minimum Distributions (RMDs)** begin — from 72 to 73 in 2023, and to 75 after 2032. RMDs apply to qualified retirement plans such as 401(k)s, 403(b)s, Profit Sharing plans, Money Purchase Pensions, IRAs, SIMPLE IRAs, and SEP IRAs. Many retirees now have more time to let their savings grow tax-free.[13]

RMDs are the **minimum** you are required to withdraw each year — you can always withdraw more. But withdrawing more from a traditional retirement account could mean a higher tax burden and an end to tax-free growth for the withdrawn funds.

DON'T MISS THE DATE

If you forget to take an RMD, it's going to cost you. After the SECURE Act 2.0, there is a **25% penalty** based on the RMD you were supposed to take. RMDs are calculated on the total balance of all your IRAs, 401(k)s, and other traditional plans as of **December 31st of the previous year**. Ask your financial professional to make sure you're in compliance and to develop a long-term tax-minimization plan.

IN CLOSING

Be prepared for your important birthdays

Understanding key birthdays may help you better prepare for certain retirement income and benefits. But perhaps more importantly, knowing key birthdays can help you **avoid penalties** that may be imposed if you miss the date.

If you have questions about how to make sure your retirement timeline incorporates these important, pivotal dates for your financial situation, contact us today.

YOUR NEXT STEP

Request your complimentary financial review

Learn More →

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IMPORTANT DISCLOSURES

Disclosure

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