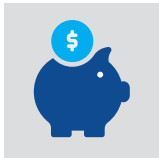


KEY MILESTONES ON YOUR RETIREMENT JOURNEY

Whether you are preparing for retirement or already there, be sure to consult with your financial advisor about these important age-based decision points along the way.



50 Eligibility to make catch-up contributions begins.

Beginning at age 50, you are eligible to contribute an additional \$1,000 per year (\$7,000

total) to an Individual Retirement Account (IRA) and an additional \$6,500 per year (\$26,000 total) to a retirement savings plan offered by your employer.

Meet with your First Command Financial Advisor to learn about First Command's advanced planning capabilities as you approach retirement.



60 Meet with your Advisor to put the finishing touches on your retirement income plan

and explore the need for legacy planning.



62 You can begin collecting your Social Security payments.

At age 62, you can begin collecting your Social Security payments. But it's important

to understand that you will receive reduced monthly payments if you choose to do so – approximately one-third less than you would receive if you waited until your “full retirement age” of 66 or 67. You should also be aware that if you begin taking Social Security before reaching full retirement age and continue to work, your payment will be reduced by \$1 for every \$2 you earn above \$18,960.



55 Penalty-free withdrawals from qualified employer retirement plans can begin.

If you leave your job at age 55 or older

and want to access the funds in your 401(k) or other qualified retirement plan, you can do so without paying the 10 percent tax penalty that normally applies. It's important to note that withdrawals from IRAs, however, are subject to that tax penalty until age 59 1/2.

Schedule time with your Advisor to confirm your retirement objectives and begin making specific plans for transitioning from the accumulation to the distribution stage of your financial journey.



65 Eligibility for Medicare begins.

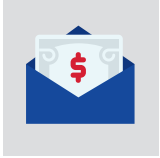
You can first enroll in Medicare during a seven-month period that actually begins three months before

the month you turn 65. Take care to sign up on time, because your Medicare Part B premiums will increase by 10 percent for each 12-month period you were eligible for benefits but did not enroll. If you delay enrollment because you or your spouse are covered by a group health plan at work, sign up for Medicare within eight months of leaving the job or health plan to avoid the penalty.



59 1/2 Penalty-free withdrawals can be made from IRAs and other tax-qualified retirement accounts.

In order to discourage investors from prematurely withdrawing money from their retirement investments, the IRS assesses a 10 percent tax penalty on withdrawals made before the age of 59 1/2. After that age, only ordinary income taxes are due on these withdrawals.



66/67

Qualification for full Social Security benefits begins.

People born between 1943 and 1954 qualify for their full Social Security benefit at age 66. The Social Security full retirement age gradually increases from 66 and two months to 66 and 10 months for those born between 1955 and 1959. For those born in 1960 or later, the full retirement age is 67. Once you reach your defined full retirement age, you can work while receiving Social Security benefits without having any of your payments withheld.



70

Qualification for maximum Social Security benefits begins.

If you don't need to begin drawing your Social Security

payments at age 62 or at your full retirement age, you have the option of deferring them. And for every year that you defer your payments, your future monthly payment will increase by eight percent.



72

Required minimum distributions from traditional IRAs and qualified retirement plans must begin.

Those over age 72 are typically required to take annual withdrawals from traditional IRAs and 401(k)s and pay the resulting income tax bill. The penalty for missing a required minimum distribution is a stiff 50 percent of the amount that should have been taken out. Your first distribution must be taken by April 1 of the year after you turn 72. After that, annual withdrawals are due by Dec. 31 each year. Those who delay the first withdrawal until April will need to take two distributions in the same year, which could result in a big tax bill that year.

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