

Retirement Age Milestones

Understanding the retirement milestones ahead can help you save smarter, avoid costly penalties, and unlock powerful new benefits. Here is a break down of the key milestones you should keep in mind.

Age 50: Time to Catch Up

Once you hit 50, the IRS rewards your proximity to retirement with higher contribution limits. Catch-up contributions allow workers age 50 and older to contribute an additional \$8,000 to their 401(k), 403(b), or 457(b) in 2026 on top of the standard \$24,500 limit for a total of \$32,500 per year. Traditional and Roth IRA holders get an extra \$1,100 on top of the standard \$7,500 limit, bringing their total to \$8,600. Just keep in mind: if you earned \$150,000 or more last year, a new rule requires your workplace catch-up contributions to go into a Roth (after-tax) account starting this year. If you haven't been maxing out your contributions, now is the time to start.

Ages 60-63: The Super Catch-Up Window

Thanks to the SECURE 2.0 Act, a brand-new "super" catch-up contribution is available for those aged 60 to 63. In 2026, this group can contribute \$11,250 in catch-up contributions to a 401(k) or 403(b), bringing the total annual maximum to \$35,750. This is one of the most powerful savings boosters the IRS has ever created. If you fall in this age range, take full advantage.

Age 59.5: Penalty Free Withdrawals Begin

Before age 59½, pulling money out of a traditional IRA or 401(k) triggers a 10% early withdrawal penalty on top of ordinary income taxes. That penalty disappears at 59½. Roth IRA holders can also begin withdrawing both contributions and earnings tax-free at this age, provided the account has been open for at least five years. Taxes still apply to traditional account withdrawals, but the extra penalty is gone, giving you greater flexibility in how you manage retirement income.

Age 65: Medicare Enrollment

At 65, you become eligible for Medicare. Your Initial Enrollment Period opens three months before your 65th birthday and closes three months after. Miss this window without qualifying for a special exception, and you could face permanent late-enrollment penalties that raise your premiums for life. Start reviewing your options early and coordinate with any employer coverage you may still have.

Age 67: Full Retirement Age for Social Security

For anyone born in 1960 or later, age 67 is Full Retirement Age (FRA) for Social Security, which is the point at which you receive 100% of your earned benefit. Claiming before FRA results in a permanent reduction. For example, claiming early at 62 can cut your monthly check by up to 30%. Conversely, delaying benefits past FRA earns you delayed retirement credits of roughly 8% per year, all the way up to age 70.

Age 73: Required Minimum Distributions (RMDs)

At 73, the IRS requires you to start withdrawing a minimum amount annually from tax-deferred accounts such as traditional IRAs, 401(k)s, 403(b)s, and similar plans. These are called Required Minimum Distributions (RMDs). Miss one or fall short, and you'll owe a 25% penalty on the amount not withdrawn (10% if corrected within two years). Under SECURE 2.0, this age will increase again to 75 in 2033. Roth IRAs are not subject to RMDs during the owner's lifetime, which is another reason they are a powerful long-term planning tool.