KEY BIRTHDAY MILESTONES

You can count more than candles each year —
there are a number of important financial opportunities on the journey to and through retirement.

TRANSAMERICA®

THE PERKS OF GROWING OLDER

Reaching a certain age means new financial opportunities as you prepare and save for retirement.

50 years old

- Starting in the year in which you turn 50, certain retirement accounts allow for a "catch-up" contribution.
- If you are eligible to make a traditional or Roth IRA contribution, the annual limit increases from $7,000 to $8,000.
- The salary deferral limits for 401(k), 403(b), and certain 457(b) plans increased to $23,500 for 2025. Catch-up contributions for those age 50 or older (by year-end 2025) remain at $7,500 for a total contribution limit of $31,000. If you participate in a SIMPLE IRA, under the catch-up provision you can defer an additional $3,500 of your salary, increasing your annual salary deferral limit from $16,500 to $20,000.

Talk to your plan administrator or employer to determine how these additional deferral amounts can be accommodated.

55 years old

- If you participate in a health savings account (HSA) at work, you are allowed a "catch-up" contribution to your HSA, starting in the year in which you turn 55. For single individuals, the annual contribution limit increases from $4,300 to $5,300 for 2025. For families, the limit increases from $8,550 to $9,550.
- There is a special exception for penalty-free distributions from qualified plans at age 55 (e.g. 401(k), 403(b), profit-sharing plans). If you separate from service in the year you turn 55 or any year after, you can withdraw funds from the plan without a 10% early withdrawal tax penalty.

IRAs do not have a pre-59½ exception for separation from service. Keep this in mind when considering an IRA rollover.

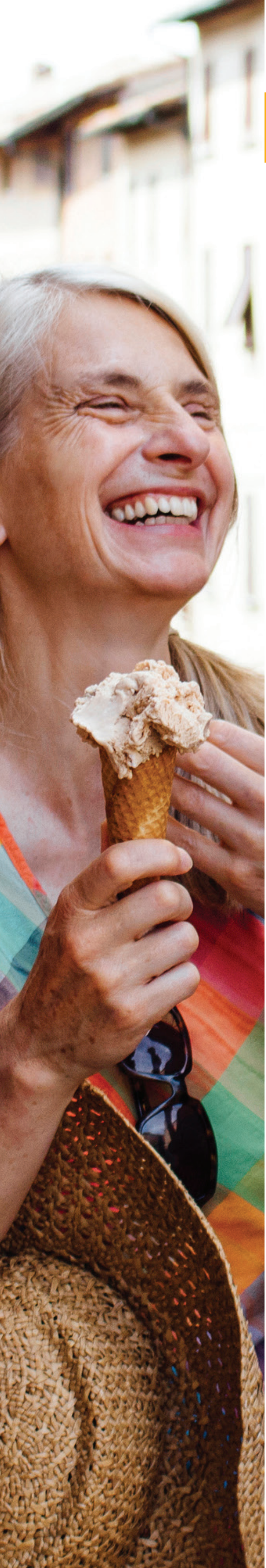
59½ years old

- Age 59½ is the milestone when you can withdraw from most retirement accounts without a 10% additional tax penalty. These accounts include IRAs, 401(k)s, 403(b)s, profit- sharing plans, other qualified plans, and nonqualified annuities.
- Most qualified plans, such as 401(k)s, 403(b)s, and profit-sharing plans, allow for an in-service non-hardship withdrawal at age 59½.

If you are still working and looking to diversify by rolling funds from your qualified plan to an IRA, you may now be able to do so.

60-63 years old

- The salary deferral limits for 401(k), 403(b), and certain 457(b) plans increased to $23,500 for 2025. If you are age 60-63 (by year-end 2025)you may be eligible to save an additional $11,250 in catch-up contributions.



SOCIAL SECURITY, MEDICARE, & RMDs

What to expect from age 60 to 73

60 years old

- If you have lost a spouse, age 60 is when you become eligible to collect a Social Security survivor's benefit (assuming the deceased was eligible and you did not remarry prior to age 60).
- Survivor's benefits collected prior to full retirement age (FRA) will be reduced; however, there is no impact on individual benefits. You can continue growing your own benefit and can switch to it at a later date if it is higher. Keep in mind, any benefits collected prior to FRA are subject to an earnings limit and earned income may reduce benefits.

It's important to evaluate survivor's benefits, individual benefits, and work status in determining the best claiming strategy.

62 years old

- The month following your 62nd birthday is the month in which you first become eligible to collect Social Security retirement (individual and/or spousal) benefits. Unless you're disabled, the individual benefit at age 62 will be about 70% of the full retirement benefit. If eligible, a reduced spousal benefit may also be available. The Social Security Administration generally recommends applying for benefits three months prior to the month in which you would like them to start.

Keep in mind, any benefits collected prior to full retirement age are subject to an earnings limit and earned income may reduce benefits.

65 years old

- The month in which you turn 65 is the month you become eligible for Medicare. Anyone not collecting Social Security should enroll in Part A three months prior to your 65th birthday to avoid a gap in health insurance coverage. Most people will be eligible for premium-free Part A coverage.
- Unless covered by an employer-sponsored health plan, you must also enroll in Medicare Part B to avoid future penalties.

If you continue to work, check with your employer's plan to see how it integrates with Medicare and whether you're eligible to opt-out of Part B.

67
years old

- For those born after January 1, 1960, full retirement age for Social Security is 67 years old.
- Assuming you've not received a retirement or disability benefit yet, in the month following your 67th birthday, you're eligible to collect your full retirement benefit. If eligible, a full spousal benefit may be available in place of your benefit if it is a greater amount.

The Social Security Administration generally recommends applying for benefits three months prior to the month you would like them to start.

73
years old

- Beginning date for required minimum distributions (RMDs) from qualified accounts is age 73 for individuals who attain age 72 after December 31, 2022 and age 73 before January 1, 2033. The applicable age for beginning RMDs will change to 75 for those who turn 74 after December 31, 2032, and age 75 for individuals who attain age 74 after December 31, 2032.
- The IRS allows the first RMD to be postponed until April 1 of the year following the "first distribution year." Subsequent RMDs are due by December 31 each year.

Postponing the first RMD results in the need to take both the first and second RMDs in the same calendar year.

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When rolling over or transferring from an employer plan, be sure to consider whether the asset transfer changes any of the features and benefits that may be important to you including: the range of investment options available; investment-related fees or plan expenses that may be incurred; service levels available; availability and circumstances of penalty-free withdrawals; timing of required minimum distributions; federal protection of assets from creditors and judgments; and tax consequences of rolling employer stock into a new plan.

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