



Are You Ready to RETIRE?

Make the most of your peak years on the job to boost your savings and plan your exit.

Retirement Timeline What you need to do, and when you need to do it, to make the most of your savings.

1st Day on the Job

Sign up for your employer's retirement plan. If you're lucky may be eligible to enroll in your company's Simple IRA or 401(k) on your date of hire. Many employers have limited eligibility where the employee must have worked for 2 years and earned at least \$5,000 to be able to participate. Be sure to contribute at least enough to capture your employer's match.

age 35

Earmark a portion of each raise to your retirement savings. Your ultimate goal: to sock away 15% of your gross income, including your employer's match contribution.

age 45

Meet with a financial planner to see whether your retirement savings are on track.

age 50

Start to make "catch-up" contributions to your 401(k) and Simple IRA account and your IRA. This year, workers can contribute up to \$15,500 to their 401(k) account. If you are 50 or older by the end of the year, you can add an extra \$5,000 to your 401(k) account, for a total of \$20,500 in 2007. For 2007, workers can contribute up to \$10,500 to their Simple IRA account. Simple IRA "catch-up" amount is \$2,500, for a total of \$13,000 in 2007.

You can also contribute up to \$4,000 to an IRA or \$5,000 if you're age 50 or older, even if you don't contribute to your employer's plan. Stay-at-home spouses can also contribute to an IRA.

age 59½

Access IRAs and other retirement accounts. Early-withdrawal penalties disappear. Meet with a financial planner to make sure you're on track to meet your retirement goals. If your retirement savings fall short of your goal you may decide to work longer. Working longer not only provides an extra year or two of income and employer-provided benefits, it reduces how much you need to save.

age 62

Consider taking early Social Security benefits, but know that your checks will be reduced by 25% or more for life. Get a benefit estimate online at www.ssa.gov and make sure it accurately reflects your employment history.

age 65-67

Start collecting full Social Security retirement benefits, depending on your birth year. Earnings-cap limits disappear.

age 70

Sign up for Social Security benefits even if you keep working. Extra retirement credits end for those who have delayed collecting benefits.

Age 70½

It's time to take minimum distributions from your retirement account each year.

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