# EPIC CAPITAL WEALTH MANAGEMENT

## Epic Capital Presents: Financial Birthdays to Remember

*The older we get the less we like to think about, let alone celebrate, birthdays. However, there are several important financial birthdays that we shouldn't overlook. Here's a list of some of them:*

**Age 50:** This is the earliest age at which a surviving spouse can collect a survivor's retirement benefits from Social Security, but only if you are disabled (see Age 60).

**Also at age 50:** This is the age at which you can take advantage of the IRS "Catch-up" Rule when and make a larger contribution to your Traditional IRA or Roth IRA (currently, it's an extra $1,000).

**Age 55:** You can begin making withdrawals from a company-sponsored retirement plan (but not an individual retirement account) without an early withdrawal penalty (see Age 59 1/2). However, you must leave the employer (retire, be terminated, change jobs) in order to take advantage of this early withdrawal exception.

**Age 59 ½**: Not exactly a birthday, but this is the age at which you can begin making withdrawals from any retirement plan or IRA without the ten percent (10%) early withdrawal penalty (assessed against any money you pull out of the account and don't roll over into another retirement account or IRA). The withdrawn money, however still faces ordinary income taxes in accordance with your tax bracket.

**Age 60**: This is the earliest age at which a surviving spouse can collect survivor's benefits from Social Security (unless disabled, see Age 50). However, if you start collecting at age 60, benefits will be only 71 1/2 percent of the full benefits the deceased would have been entitled to at the full retirement age (see Age 65-67). If you remarry before age 60, you permanently lose survivor benefits. If you remarry at age 60 or later, you can collect as long as you are not claiming benefits as a current spouse.

**Age 62**: This is the earliest age at which you can begin collecting your own Social Security benefits or your share (50 percent) of the amount of benefits being received or eligible to be received by a living spouse or former spouse. These benefits will be permanently reduced, up to 20 percent, from what you or your spouse would be entitled to at full retirement.

This is also the minimum age you can get an FHA reversed mortgage. A reverse mortgage is where you receive money from a lender in exchange for a share of some or all of the equity in your home. Most commercial lenders require the 62 minimum age, as well. The loan is then settled with the proceeds from the sale of your home.

**Age 65**: This is our country's *"Official"* retirement age … for now. It's the age at which you can collect full Social Security benefits, as long as you were born before 1938. Anyone born after this has to wait longer. All Baby Boomers (born 1946-1964) will have to wait until at least their 66th birthday to collect 100% of their Social Security benefits. Once you reach age 65, you can earn as much as you want without it affecting your Social Security benefits.

**Age 65-67**: The age at which you can begin to collect full Social Security is gradually being shifted from age 65 to age 67 beginning last year and being completed by the year 2027.

**Age 70:** The latest age you can start Social Security benefits. Just because you *can* begin benefits earlier doesn't mean you have to, and there are benefits in waiting: you increase your Social Security check by 8% for each year you postpone the start of benefits. However, you must APPLY no later than your 70th birthday.

**Age 70 ½**: Again, not a birthday. Regardless, this is the age at which you must begin taking a minimum amount of money (withdrawals known as RMD's) out of your retirement plans and IRAs. And to complicate things further, if you turn 70 ½ in the second half of the calendar year, you have until April 1st of the year following the year you turn 70 ½, to start making your required minimum distributions. Furthermore, if you do wait until the following year deadline, you will have to take two distributions that year, which could push you into a higher tax bracket. So while it might seem convenient to postpone your first mandatory withdraw, it might not be smart in terms of taxes.

Yet, if you continue working beyond age 70 ½, you don't have to make minimum withdrawals from a qualified retirement plan until you actually retire. However, you must begin withdrawals from any IRAs by 70 1/2 or if you own five percent or more of the company.

*No need to break out the cake for these birthdays, but knowing them will help you to keep on top of your finances, allow you to take advantage of a few added benefits, and assist you in living your financial life wisely . . . and those are things that are certainly worth celebrating.*