



IMAGINING AN EARLY RETIREMENT?

Do you dream of leaving full-time work behind? Would you like to have the flexibility to travel or spend more time with your family? It is possible to retire early or before the Social Security full retirement age of 65 or 67 (depending on your birth year).

HERE ARE SOME KEY THINGS TO CONSIDER:

- You can begin taking Social Security benefits as early as age 62, but the benefit amount will be significantly lower than what you will receive if you wait.
- If you have a pension, early retirement may result in lower monthly payments due to fewer years accruing benefits.
- With fewer and fewer employers offering health benefits for retirees, you may have to pay for health care until you become eligible for Medicare at age 65.
- Over a 20-year retirement period, even a 3% inflation rate can cut your purchasing power almost in half.

OPTIONS FOR PENALTY-FREE DISTRIBUTIONS IN EARLY RETIREMENT

- If you turn 55 or older in the year you leave your job, you may be able to take penalty-free distributions from your employer's qualified retirement plan.
- If you leave your job prior to the year you turn 55, you can take penalty-free distributions from your employer's qualified plan at age 59½.
- When you turn 59½, you can take distributions penalty-free from your IRA.
- If you don't otherwise qualify for penalty-free distributions, you still may be able to avoid the penalty by establishing an IRS-approved payment stream from your retirement plan.

THE FINANCIAL ADVANTAGES TO DELAYING RETIREMENT

- Full Social Security benefits at age 65–67 (depending on your date of birth) are considerably more than those available at age 62.
- You can keep contributing to a Roth IRA and/or employer retirement plan. Contributing to an employer retirement plan is a particularly smart strategy if your employer offers matching contributions.
- Saving longer could mean more growth potential for assets and fewer retirement years to finance.
- Inflation will have fewer years to erode your savings.

Your financial advisor can help you weigh your options and determine the retirement strategy that's right for you.

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