

How much can I save?

2016 LIMITS FOR 401(K) AND OTHER QUALIFIED PLANS

ANNUAL LIMIT
\$18,000

"CATCH-UP"
\$6,000

What should I know about withdrawing my money?

Generally, you can withdraw starting at age 59½ and you must start withdrawing by age 70½ (you have until April 1 of the following year to start distributions).

OPTIONS FOR WHAT TO DO WITH YOUR ACCOUNT BALANCE

OPTION
1

Leave money where it is (if allowed)

OPTION
2

A direct rollover to an IRA

OPTION
3

Take a cash distribution

What should I know about Social Security?

AGES TO CONSIDER WHEN CLAIMING YOUR BENEFIT

AGE
62

reduced benefit

AGE
66-67

full retirement age

AGE
70

highest possible benefit

What do I need to know about Medicare?

Once your Part A benefits begin, you will be automatically enrolled in Part B unless you opt out. There is generally a 7 month window to sign up for Part B at the stated costs. It might be worthwhile to look into supplemental Medigap policies.

GETTING STARTED

Review your statement: www.ssa.gov/onlineservices

Speak with a Social Security representative: **1-800-772-1213**

Find additional Medicare information: www.medicare.gov

Speak with a Medicare representative: **1-800-MEDICARE**

Notes



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Getting Ready to Retire

DATES TO REMEMBER

Retirement brings with it important and complex considerations. When should you claim Social Security benefits? When does Medicare coverage begin? When should you start withdrawals from your retirement accounts? This timeline and checklist can get you started in the right direction.



AGE **50** AGE **55** AGE **59½** AGE **62** AGE **65** AGE **66** AGE **70** AGE **70½**

You become eligible to make “catch-up” contributions to your 401(k) and your IRA. Use this opportunity to boost your saving rate and enhance your retirement nest egg.

If you have a Health Savings Account, you can start making catch-up contributions at age 55.

If you are 55 or older and you lose or leave your job, you may be able to take a penalty-free 401(k) distribution, which means you don’t have to pay the 10% early withdrawal penalty. The distribution is still taxable as income, so consider getting some tax advice before going ahead. And discuss early distributions with a financial advisor – you may have better options.

Now withdrawals from any retirement account are penalty free. If the contributions were tax-deferred, your withdrawals will be subject to ordinary income tax. Roth contributions can be withdrawn tax-free if you have had the account for five years or more. If you are continuing to work and don’t need the money, consider letting your retirement account continue to grow.

Early Social Security benefits become available now, but remember, collecting at this age will permanently reduce your monthly benefit by as much as 30%. If you are still working and don’t need the income, consider delaying claiming Social Security until you need it.

At age 65, you are eligible for Medicare. If you are already collecting Social Security, you will be automatically enrolled in Medicare Parts A and B. If you have not yet started Social Security, you will need to apply for Medicare. If you are still working and getting health insurance through your employment, talk to your employer about how your current plan coordinates with Medicare. If you need to enroll, be aware of the deadlines.

People born between 1943 and 1954 will be eligible for full Social Security benefits at this age. If you were born in 1955 or later, your full retirement age for Social Security could be as high as 67. Check the Social Security website for details. You can choose to delay your benefit, and if you do, your benefit will increase approximately 8% per year for each year you delay.

At age 70, the 8% annual increase in Social Security benefits stops accruing, so you may as well start taking benefits.

Systematic withdrawals from your retirement accounts must begin at age 70½ (you have until April 1 of the following year to start distributions). You can delay taking 401(k) Required Minimum Distributions if you are still employed. Special rules apply to Roth accounts: if the account was yours or you inherited it from your spouse, you never have to take withdrawals. Distribution rules can be complex and the tax consequences significant, so talk to an advisor about your own situation.