

A Short Guide

Retirement Planning at Every Age



CAPITAL
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Helping Families Find Happiness in Retirement

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Introduction

As kids, we all looked forward to birthdays with excitement and anticipation. And why not? Those annual celebrations brought attention, parties, cake, and presents. As you approach and navigate retirement, you may find yourself once again looking forward to certain birthdays—and the “presents” those milestones bring from Uncle Sam. After all, turning 65 isn’t the only important retirement-related birthday. Many of the government’s retirement programs and rules kick in at various ages, starting at the half-century mark. But even before you get there, it’s important to consider the steps you should take as you enter “retirement range.”

Ask a random person on the street when they plan to retire, and there’s a good chance they’ll laugh and say, “Never!” That’s no surprise, considering that in 2024, the average 401(k) balance for savers aged 61–79 was just \$249,300, according to [Fidelity](#). But it doesn’t have to be that way. Millions of Americans are retiring before 65 with more than enough saved to live out their dreams. Their secret isn’t really a secret at all, it comes down to two key habits: start saving early and stay disciplined about money.

So, what’s your retirement timeline? Whether you plan to retire at 55 or 75, understanding your income sources, key dates and deadlines, and rate of return is essential to living a happy, sustainable post-career lifestyle.

This guide will help you make that happen. Inside, you’ll find a breakdown of important retirement milestones by age and calendar date, along with practical insights to help you plan. After reading, take a moment to reflect on where you are today and use the [tools and resources](#) we mention to keep your retirement planning on track.

Start now
with clear steps, key
dates and strategies
tailored for every
stage of retirement.



In Your 20s, 30s, 40s

If you're within 5 to 10 years of retirement, skim this list as a refresher to make sure you're on track. If you're not where you'd like to be, use these recommendations to assess where you can course correct and get back on track.

From your 20s through your 40s, the key goal is simple: start early. Thanks to the power of compound growth, time becomes one of your greatest financial allies. Compounding is the accelerated growth that occurs when the earnings on your investments are reinvested and begin generating their own earnings. The longer your money is invested, the more it can grow—feeding on earnings upon earnings. Starting to save in your 20s can make a dramatic difference in the size of your retirement nest egg—and reduce how much you'll need to contribute to hit a target like \$1 million.

Age 21

If you entered the workforce at 21, great job! Most employees become eligible to participate in a 401(k) plan at this age. Enroll in your employer's plan and contribute the maximum amount the employer will match.

Age 25

Start saving now, and the math works in your favor. If you begin saving at age 25, you need to put away about \$5,693 per year to reach \$1 million by age 65 (assuming a 6.5% average annual return). Wait until 35, and that number more than doubles to \$11,577 per year.

Age 30

By 30, focus on minimizing your tax burden. Most of your savings should be in tax-advantaged accounts like a 401(k), IRA, or Roth IRA. Max out your 401(k) contributions, then begin funding an IRA or Roth IRA based on your income and tax situation.

Age 35

As you enter your mid-30s, prioritize boosting your income. The more you earn, the more you can save. Ask yourself: Have you maximized your earning potential with additional training or education? Are you seeking promotions? If your current field limits your income, have you explored transitioning to a higher-paying industry?



Age 40

At this stage, consider taking some calculated risks. As any good poker player will tell you: *scared money don't make money*. Cash and bonds are safe but offer limited returns. Stocks and real estate carry more risk, but historically can potentially generate stronger long-term gains. Know your risk tolerance and don't be afraid to make a few smart investment moves.

Age 45

This is the time to focus on paying off lingering debt. Debt limits your options and diverts money to interest payments that could otherwise fund your retirement or lifestyle goals. Prioritize eliminating credit card and consumer debt—especially as retirement draws nearer.

Other Key Considerations During This Life Stage



Marry the Right Person.

Not for money—but for mindset. Choosing a partner who shares your general financial views and goals will go a long way toward building long-term stability. Financial compatibility is just as important as emotional compatibility when planning for the future.



Automate Good Behavior.

Automate savings, bill payments, and investing. The fewer decisions you leave to chance, the better.



Insure Wisely.

Life, disability, and health insurance matter more than you think—especially once others depend on you.



Set Clear Goals.

Whether it's buying a home, starting a business, or retiring early, clarity gives your financial plan direction and purpose.



Stay Informed.

You can't make smart investment decisions if you don't understand your options. Learn how your investments work and keep up with market trends. You should be spending at least as much time learning about your financial future as you do preparing for your fantasy football draft. Actually, more. Seriously.

In Your 40s – Refining and Risk-Taking

Example: Stephanie, Age 42

Stephanie earned her pre-med undergraduate degree more than two decades ago. After several grueling months applying to medical school, she was struck by the realization that becoming a doctor was her father's dream, not hers. So, she enrolled in business classes at the community college and found an entry-level position in healthcare management. Working her way up the ladder, she's now a mid-level executive, earning \$130,000 annually.

As a divorced mother raising a daughter, Stephanie prioritizes reducing financial stress. She aggressively pays off lingering credit card debt and refinances her mortgage to a lower interest rate. Recognizing the importance of higher returns, and because she has plenty more working years ahead, she's become more comfortable making calculated risks. She shifted her retirement portfolio allocation from a more conservative 60/40 stock and bond blend to a more aggressive 75/25 balance since she's proven to herself over the last few years that she can ride out market volatility. Thinking long term, she invested in a rental condo with a positive cash flow, which she hopes will generate income in retirement.

Stephanie schedules annual check-ins with her financial advisor to keep the plan current, but beyond that, she makes a concerted effort not to obsess about the market. She has done the research, understands her risk tolerance, and has made informed choices based on goals, guidance, and market history. Rather than second-guess, she chooses to be present for her daughter and pursue hobbies that will give her purpose throughout life.

Mindset: “I’m no longer just building wealth—I’m protecting it and making sure it works for me.”



In Your 50s

Now is the time to start making detailed calculations and projections about how the next decade will unfold as you move closer to retirement. [Free retirement tools](#) can help you plan your timing and estimate how much income you'll need to have in place.

Start by establishing your retirement budget. If you haven't done this yet, sit down with your spouse and outline all expected monthly expenses. Compare those with all your projected sources of retirement income—Social Security, savings, pensions, rental income, part-time work, etc.—and make sure everything aligns. If there's a shortfall, consider ways to cut costs or boost income. Don't forget to factor in one-time expenses (such as a special trip) and emergency funds in your planning.


Your 50s are also an important time to address estate planning, if you haven't already. If you have a will, review and update it. If you don't, you're not alone—32 percent of Americans still haven't created one. But without a will, you risk the state determining how your assets will be distributed. As part of your estate plan, consider assigning power of attorney to someone you trust to manage your affairs in the event you're unable to do so.

If you find that you and your spouse need to build additional income sources, consider investing in rental property. You might also give your retirement savings a boost by accelerating your plan to pay off your mortgage and other debts before retirement. By this stage of life, you want to avoid interest-heavy minimum payments draining your nest egg.

Age 50

In addition to receiving your AARP invitation, age 50 marks the point when you can begin making “catch-up” contributions: up to an extra \$7,500 per year to your 401(k) or 403(b), and \$1,000 to your IRA. [For 2025](#), this brings the employee deferral maximum to \$31,000 and the IRA limit to \$8,000.

SECURE 2.0 Note: Ages 60–63 may qualify for a higher [“super catch-up” contribution of up to \\$11,250 in 2025](#).



It's time to fine-tune your goals, boost your savings, and start shaping the retirement lifestyle you envision.

Age 55

For many 401(k) owners and federal employees, this age has a unique characteristic. If you have a 401(k) or Thrift Savings Plan and leave your job after turning 55, you can withdraw from the retirement account associated with that job without incurring the 10% early withdrawal penalty. This rule can provide helpful flexibility during a career transition or early retirement. However, you will still owe income taxes on the withdrawal.

Age 59½

Once you reach age 59½, you can withdraw funds from your 401(k) or traditional IRA without paying the 10% early withdrawal penalty. However, those withdrawals are still subject to income tax, since contributions were made pre-tax.

Keep in mind that some financial institutions may still charge fees for withdrawals. For instance, if your funds are in an annuity, there may be a surrender charge. If you're still employed, your plan may not permit withdrawals at 59½. Similarly, IRA funds held in a bank CD could carry a penalty for early withdrawal.

As for Roth IRAs, qualified withdrawals are not taxed—because you paid taxes on the money before contributing to the account.

In Your 50s – Planning with Precision

Example: James, Age 55

James comes from a blue-collar family in Texas. His dad told him, “Hard work is its own reward,” and so, immediately after high school, he joined the workforce. Starting as a part-time security guard at City Hall, he eventually forged a career as a government employee at the federal building in Dallas. He’s extremely proud of the benefits his career has afforded him and his family, such as healthcare, quality vacation time, and his Thrift Savings Plan (TSP)—the government’s version of a 401(k).

After years of providing for his kids, the grind is starting to take its toll on a burnt-out James, and he’s begun looking into an early retirement. Since he turns 55 this year, he knows he can withdraw from his TSP without a penalty upon exit, but isn’t sure what else to consider. Some coworkers have used free retirement timeline tools effectively, but since he wants to retire early, he isn’t sure which questions to ask. He knows there might be a gap between what he has and what he needs, so he and his wife meet with a financial advisor to examine and analyze ways to cut costs or boost income down the road.

The advisor encourages them to create a detailed retirement budget, estimating healthcare costs, travel plans, and living expenses. Seeing everything written out helps them decide how to adjust their savings plan to include catch-up contributions—they add an extra \$7,500 to James’s TSP and \$1,000 to his IRA. They also update their will, assign power of attorney, and begin researching long-term care insurance options. They decide to tighten their belt so they can pay off their mortgage sooner rather than later and avoid letting interest-heavy minimum payments overtap the resources they’ll need to enjoy a happy retirement.

Mindset: “It’s time to sharpen the pencil. Every decision now directly impacts our retirement lifestyle.”



In Your 60s

By age 60, retirement is within striking distance. This may make it an ideal time to evaluate your lifestyle and make some meaningful changes.

To stretch your retirement dollars, consider relocating. If you're not tied to your current (and potentially expensive) location, explore areas that offer a lower cost of living and more favorable tax conditions. If a big move doesn't appeal to you, downsizing may be a great alternative. With an empty nest, a smaller home can mean lower utility bills, less maintenance, and potentially extra profit from a home sale to help fund other goals.

As retirement approaches, it's also a smart time to review your insurance policies—home, auto, life, and more—to ensure they match your current needs. For example, you may no longer need a large life insurance policy originally meant to replace decades of income.

Age 62

You can begin collecting Social Security, but think carefully before doing so. Claiming benefits at 62 permanently reduces your monthly payment—by as much as 30%. Additionally, if you continue working full- or part-time, your benefits may be reduced or temporarily suspended based on how much you earn.

If you need the income or believe you may not draw Social Security for many years, claiming early may make sense. Otherwise, delaying benefits will increase your monthly payout.

Age 65

You can sign up for Medicare as early as three months before your 65th birthday, with coverage starting the month you turn 65. It's important to enroll on time—missing the window can result in higher premiums due to late penalties.


If you retire before age 65, you'll likely need to secure health insurance through the state exchanges created by the Affordable Care Act. This could change over time, but under current plans, you might expect to pay around \$800 per month for modest, high-deductible coverage for you and your spouse.

Age 66

For those born in 1960 or later, the full retirement age is 67. This is the earliest age at which you can receive your full Social Security benefit without reduction, and your benefits are no longer reduced if you continue working.

Age 67

Full retirement age begins for those born in 1960 or later.



Sharpen
your strategy and
get retirement-
ready. This is the
home stretch.

In Your 60s – Transitioning Thoughtfully

Example: Lynn, Age 62

Lynn is a passionate skier and retired schoolteacher living in Denver. Her salary was never exorbitant, but she's steadily accumulated a robust pension, a modest 403(b), and even a small Roth IRA. After some self-reflection, she decides that what she really desires are more ski trips to Vail, Aspen, and Telluride. Doing so would require more income, so she considers drawing Social Security, but then realizes that claiming now would result in a 30% reduction in her benefits. After consulting with a planner, she decides to wait five more years to reach her full retirement age of 67. In the meantime, her advisor confirms that it can be effective to withdraw modest amounts from her Roth IRA when the soft powder of the slopes calls her name.

With her kids all out of the house, Lynn and her husband downsized to a townhouse near the foothills. Not only does it shorten the ski commute, but it also pays off their mortgage, frees up \$100,000 in equity, and reduces their annual expenses. Lynn finds that the new location feels like a fresh start, rather than the lonely feeling of waking up every morning in the house where they raised their children. Their new neighborhood offers great restaurants to try, a nearby senior activities center, and even a corner market that they can walk to for additional exercise.

Lynn and her husband also evaluate their Medicare options and decide she'll enroll during the three-month window near her 65th birthday. Now that her mortgage is paid and her children are financially independent, Lynn feels safer reducing her life insurance coverage. The adjustment was initially strange, but the original policy was intended to potentially replace decades of income. Since that's no longer necessary, it makes sense to use the savings to enhance the quality of a retirement she worked hard to create.

Mindset: “We’re simplifying, not slowing down. I want to make the most of these active retirement years.”



In Your 70s

If you've already retired but want to keep your skills sharp and your mind agile, consider finding a core pursuit or taking on a part-time job. For those who have recently retired, part-time work can be a great way to ease into post-career life. It offers a familiar routine, a sense of purpose, social interaction, and supplemental income that can reduce the strain on your savings. Think about jobs that align with your interests and provide enough flexibility to let you enjoy the freedom of retirement.

Age 70

Your Social Security benefits increase by about 8% for each year you delay claiming them, up to age 70. If you haven't started collecting Social Security yet, this is the time to begin.

Age 73

This marks the end of the tax-deferred road for most retirement accounts. If you were born in 1960 or later, your first required minimum distribution (RMD) age will increase to 75 starting in 2033. Otherwise, age 73 is when you must begin withdrawing funds from your retirement accounts—or face a penalty.

RMD stands for “required minimum distribution.” Once RMDs begin, you'll be required to withdraw a specific IRS-calculated percentage each year. These withdrawals are taxed at your prevailing income tax rate.

Exception: If you're still working at age 73 and actively participating in a 401(k) plan with your current employer, you may be exempt from taking RMDs from that specific plan. Check with your financial advisor to confirm specifics based on your personal financial situation.

Enjoy the
payoff—manage
withdrawals, stay
active, and make
the most of what
you've built.



In Your 70s – Living Purposefully

Example: George, Age 73

George, a retired engineer in Tampa, always had the patience to wait for delayed gratification, even in his youth. While his siblings would devour their allotted treats and beg for more, he'd carefully set his aside until after dinner to fully appreciate the sweet escape. This discipline carried over to his financial planning. Knowing his Social Security benefits would increase by roughly 8% for each year he delayed claiming, he waited as long as possible. At 70, with no more room to grow, he began to draw at their maximum value. Now 73, he recently started taking the required minimum distributions (RMDs) from his IRA. Unlike his wife, who was born after the 1960 cutoff and will see her RMD age increase to 75 starting in 2033, George was at the end of his tax-deferred road. Still, even with the mandated income increase, he plans withdrawals carefully enough to avoid jumping into a higher tax bracket.

For George, retirement meant the end of his primary career, but the beginning of so much more. He and his wife moved to Tampa to be closer to his adult children and never looked back. He volunteers twice a week at a science museum and occasionally teaches a course at a community college. He enjoys the social interaction, earns supplemental income, and appreciates the chance to keep his skills sharp and his mind agile. He lounges with a cocktail when the mood strikes, but his typical calendar includes regular doctor visits and daily walks. Spending time with the grandchildren was always in the cards, but he's been surprised by how fulfilling it is to be a regular part of their lives. It took some extra work to find purpose in a new place, but living near them has been one of the best decisions he and his wife ever made.

George worked hard to become financially independent, and now he finds himself thinking about money only when necessary. Other than an annual estate plan review, he primarily focuses on making charitable contributions to various parts of the community that have helped him along the way. Since this lowers his taxable income, he considers it a win-win situation.

Mindset: “I’ve worked hard to get here. Now it’s about staying healthy, giving back, and making my money last.”



Dates You Need to Remember at a Glance

When it comes to retirement planning, there are several important calendar-year deadlines related to retirement accounts and Medicare coverage that you don't want to miss. Staying on top of key dates for contributing to or withdrawing from retirement accounts—and reviewing or switching Medicare plans—can help you avoid penalties and maximize benefits. Here's a list of key dates to remember:

January 31

Federal Marketplace open enrollment runs from November 1 to January 15. Enroll by December 15 for coverage starting January 1. Some individuals may qualify for a special enrollment period after this deadline. The federal mandate penalty was repealed after 2018, but five states (CA, DC, MA, NJ, RI) still impose their own penalties as of 2025.

March 15

If your employer offers a grace period for your flexible spending account (FSA), March 15 is the deadline to spend any remaining funds from the previous year on eligible expenses. For 2025, the health care FSA salary reduction cap is \$3,300, and the maximum amount you can carry forward is \$640.

April 1

If you turned 73 in 2024, April 1, 2025, is the deadline to take your first required minimum distribution (RMD) from retirement accounts such as your 401(k) or IRA.

Missing an RMD triggers an excise tax of 25% on the amount not withdrawn—reduced to 10% if corrected within two years. If you miss a distribution, withdraw the funds as soon as possible. You may request a penalty waiver by filing [IRS Form 5329](#) along with a letter explaining the circumstances, such as the death of an immediate family member, hospitalization, or a natural disaster.

You may delay your first RMD until April 1 of the year after you turn 73. However, if you do, your second and all subsequent RMDs are still due by December 31 annually. Taking two RMDs in one year could result in a higher-than-usual tax bill. We recommend reaching out to your tax consultant to confirm.

April 15

You may contribute to an IRA up to the tax deadline, typically April 15. Contributing to an IRA can result in immediate tax savings on your current bill.

If you had more than \$10,000 in foreign financial accounts at any point during 2024, you must file FinCEN Form 114 with the Treasury Department by April 15, 2025. (An automatic extension is available until October 15.) The government imposes significant penalties for failing to file.

Also, check your state's tax deadline. Some states do not follow the same filing dates as the federal government, so confirm the deadlines with your state tax department.

September 30

Some beneficiaries who inherited individual or Roth IRAs in 2016 may be subject to a special assessment.

October 15

Open enrollment for Medicare runs annually from October 15 to December 7. Be sure to check with your financial advisor if you have questions about this process.

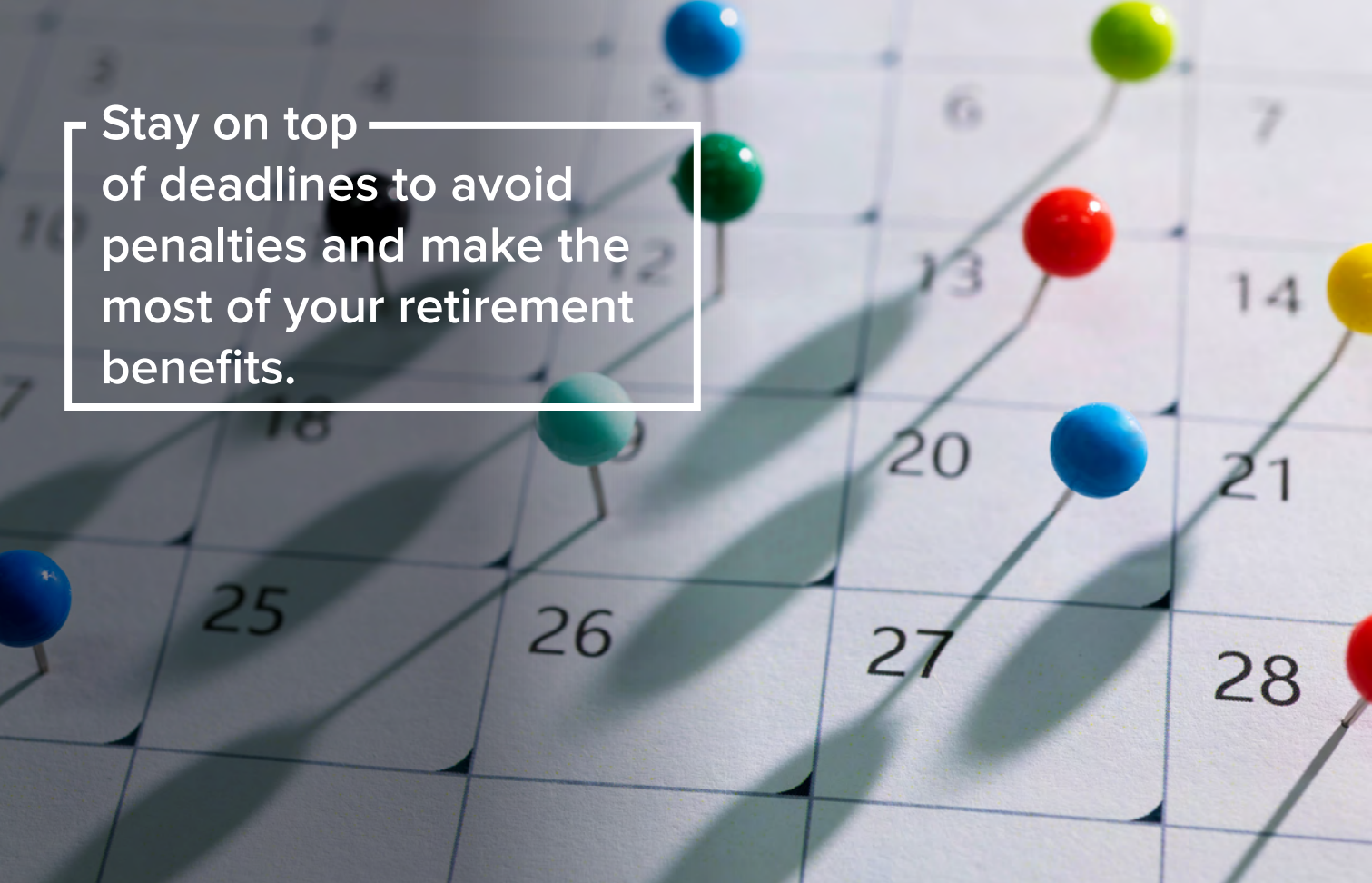
October 15, 2025, is also the deadline to recharacterize a Roth conversion made in 2024. A recharacterization allows you to “undo” or reverse a rollover or conversion to a Roth IRA. You must instruct the trustee of your Roth IRA to transfer the funds to a traditional IRA via a trustee-to-trustee transfer or within the same financial institution. Be sure to check with your financial advisor if you have questions about this process.

November 1

Marketplace open enrollment for 2026 coverage begins on November 1, 2025, and ends on January 15, 2026.

December 31

December 31 is the deadline for several key tax-related actions. Review your charitable donations, make estimated tax payments, defer income, or take your IRA distributions by this date.



Stay on top
of deadlines to avoid
penalties and make the
most of your retirement
benefits.

A Steady Retirement Plan

Mapping out the rest of your life—especially your personal finances—can feel like a daunting task. But with the right planning, you can ease into a happy retirement and potentially retire sooner than you think.

Bring your team together, use the right tools, and take action with confidence and clarity.



As you discuss retirement with your spouse, financial advisor, estate planner, and tax consultant, you'll help your professional team guide you more effectively by sharing key details such as your income sources, target retirement age, and any other factors that could impact your timeline.

Remember, a variety of tools—ranging from [happy retirement planners](#) to Social Security optimizers—are available to support your planning. The most important step is to start early, start now, and move forward with confidence toward a fulfilling retirement.

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