



Retirement Topics - Significant Ages for Retirement Plan Participants

Your age determines what actions you may take in your retirement plan. For instance, your age affects when you may:

- join a plan,
- make catch-up contributions,
- take money from your plan without paying additional taxes, and
- be required to take money from your plan.

Age Chart For Participants

Age	Significance
21	<p>An employer-sponsored retirement plan cannot exclude an employee from participating after the employee turns age 21 (and completes the necessary service requirement).</p> <p>Note: SIMPLE IRA plans have no minimum age requirement.</p>
50	<p>In the year of turning 50 or older, annual catch-up contributions may be made to:</p> <ul style="list-style-type: none">• IRAs• employer-sponsored plans that accept elective deferrals <p>A public safety employee who receives a distribution from a governmental defined benefit plan after separation from service is not subject to the 10% additional tax on early distributions if the distribution occurs in the year of turning 50 or older.</p>
55	<p>An employee who receives a distribution from a qualified plan after separation from service is not subject to the 10% additional tax on early distributions if the distribution occurs in the year of turning 55 or older.</p>
59½	<p>Distributions from qualified retirement plans, including IRAs, are not subject to the 10% additional tax on early distributions once the recipient turns 59½.</p>

Age	Significance
62	A pension plan may pay benefits to a participant age 62 or older even if the participant has not separated from employment. The rules regarding a plan's youngest permissible normal retirement age have a safe harbor of age 62.
65	<p>Defined benefit plans often calculate retirement benefits based on annuities beginning at age 65. Unless a participant elects otherwise, benefits under a qualified plan must begin within 60 days after the close of the <i>latest</i> plan year in which the participant:</p> <ol style="list-style-type: none"> 1. turns 65 (or the plan's normal retirement age, if earlier); 2. completes 10 years of plan participation; or 3. terminates service with the employer.
70½	<p>Required minimum distributions must generally start by April 1 following the year of turning 70½, for plan participants and IRA owners who reach age 70 ½ prior to January 1, 2020.</p> <p>A qualified plan may allow participants to delay taking distributions until after retirement (unless the participant is a 5% owner).</p>
72	The SECURE Act made major changes to the RMD rules. For plan participants and IRA owners who reach the age of 70 ½ in 2019, the prior rule applies and the first RMD must start by April 1, 2020. For plan participants and IRA owners who reach age 70 ½ in 2020, the first RMD must start by April 1 of the year after the plan participant or IRA owner reaches 72.

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