

Early Retirement Tips



If you want to retire early, it's best to start planning now. Advance planning is essential for a financially successful retirement, especially if you want to retire while still young enough to travel the world, hike and sail, sip margaritas on the beach or any number of aspirations that you've been putting off for years.

First, you must get smart about planning. One key aspect of early planning is understanding the different types of investment accounts typically used to fund retirement, and when you can take penalty-free withdrawals from each.

The chart below lists the major types of retirement accounts and the age of penalty-free withdrawal:

Retirement Account	Age for Penalty-free Withdrawals	What You Need to Know
401(k)	55	If you leave your job for any reason during the year of your 55 th birthday or later, you can start taking withdrawals without a 10% penalty; withdrawals are taxed as regular income.
IRA	59 ½	Can start withdrawals from IRAs with no 10% penalty. Withdrawals are taxed as regular income.
Roth IRA; Roth 401(k)	59 ½	Can start withdrawals from IRAs with no 10% penalty. Withdrawals are tax free if the account has existed for at least five years.
Social Security (earliest withdrawal)	62	Earliest you can collect your own Social Security benefits. But if you collect this early, benefits will be roughly 30% less.
Social Security (full benefit option)	66 or 67 Depending on birth year	<ul style="list-style-type: none">• Social Security full retirement age.• If you defer filing, your benefits will increase 8% annually until age 70.
Social Security (maximum deferral)	70	File for Social Security if you haven't yet. Your benefit won't increase beyond age 70.
Required Minimum Distributions (RMDs) begin from all non-Roth retirement accounts	72	Required Minimum Distributions (RMDs) begin from all non-Roth retirement accounts. For 401(k) plans, RMDs must begin at retirement or age 72, whichever is later. Required annual withdrawals are based on your age and account balance, and there's a stiff 50% penalty on the amount of any shortfall. If you are still working at age 72 or later, you can continue contributing to IRAs and other retirement accounts..

Laird Norton Wealth Management provides a full-service, boutique experience that includes: Investment Management, Retirement Planning, Trust and Estate Planning, Tax Planning Strategies, Cashflow Modeling and more.

Learn More: To find out how Laird Norton Wealth Management can help you plan the retirement of your dreams, call or email us to set up an appointment today.

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