

STRONG TOWER ADVISORS · PRINTABLE GUIDE

Can I Retire at 62? Checklist

22 questions to evaluate before your last paycheck, plus a retirement budget worksheet and a year-by-year income-gap worksheet for the years between 62 and full retirement age.

How to use this guide

Work through the checklist in order. Mark each item that is complete, and circle any item that still needs an answer. Then fill in the two worksheets with your own estimates. The goal is not a yes-or-no verdict. It is a clear list of what must be resolved before you choose a retirement date.

Figures marked 2026 were checked against official sources in October 2026. Numbers labeled **HYPOTHETICAL** are illustrations only and do not describe any real person or predict any result.

Key dates if you are thinking about 62

Retirement milestones by age (general rules; your dates may differ)

Age	What generally happens	Why it matters at 62
55	The IRS “Rule of 55” exception can apply to distributions from the employer plan of a job you leave in or after the year you turn 55.	If you leave work at 62, money left in that employer plan may be reachable without the 10% additional tax. Rolling it to an IRA first can change that.
59½	The 10% additional tax on early distributions generally no longer applies to IRAs and plans.	By 62 you are past this age, so the main question is ordinary income tax, not the 10% additional tax.

Age	What generally happens	Why it matters at 62
62	Earliest age to claim Social Security retirement benefits.	For people born in 1960 or later, a benefit started at 62 is reduced to about 70% of the full-retirement-age amount, permanently.
62–65	No Medicare for most people.	You need a health-coverage bridge: COBRA, a spouse's plan, retiree coverage or the ACA Marketplace.
65	Medicare eligibility for most people. The 7-month Initial Enrollment Period runs from 3 months before to 3 months after your birthday month.	The bridge ends. Plan the handoff and any HSA contribution cutoff in advance.
67	Full retirement age for anyone born in 1960 or later.	The Social Security earnings test stops applying once you reach full retirement age.
70	Delayed retirement credits stop accruing.	The latest age where waiting raises your monthly Social Security benefit.
73 / 75	Required minimum distributions (RMDs) begin: age 73 if born 1951–1959, age 75 if born 1960 or later.	Large traditional balances can create larger taxable income later. Your early-retirement years may be a lower-income planning window.

Part 1: The 22-question checklist

Use the timeline headings as a guide. If your retirement date is closer than 12 months, start at the top anyway and work quickly.

12 MONTHS OR MORE BEFORE YOUR RETIREMENT DATE

Spending and assets

- ☐ **1.** Have I estimated my essential monthly spending in retirement (housing, food, utilities, insurance, transportation, debt payments)? Use Worksheet A.
- ☐ **2.** Have I separated essential from discretionary spending (travel, gifts, hobbies, dining out)?
- ☐ **3.** Have I listed every retirement, investment, bank and cash account, including old employer plans?
- ☐ **4.** Do I understand what my 401(k) or 403(b) allows after I leave, such as installments, partial withdrawals and staying in the plan?

- ☐ **5.** Have I reviewed my traditional IRA balances and how withdrawals would be taxed?
- ☐ **6.** Do I hold Roth money, and do I understand the qualified-distribution rules, including the five-year rules?
- ☐ **7.** If I have a pension, do I know the payment options, survivor choices and any lump-sum offer deadlines?

6 TO 12 MONTHS BEFORE

Social Security and healthcare

- ☐ **8.** Have I downloaded my current Social Security statement from my online *my Social Security* account at SSA.gov and checked my earnings record for errors?
- ☐ **9.** Have I compared claiming at 62 with claiming at full retirement age and at 70, including any spousal or survivor effects?
- ☐ **10.** Do I know how I will get health insurance from my retirement date until Medicare at 65?
- ☐ **11.** Have I estimated annual premiums *and* out-of-pocket costs (deductibles, copays, prescriptions) for each coverage option?
- ☐ **12.** If I may use Marketplace coverage, have I estimated my household modified adjusted gross income (MAGI) for each year before 65?
- ☐ **13.** Do I understand my Medicare enrollment timeline, and any HSA contribution cutoff, at 65?

90 DAYS BEFORE

Reserves, risk and cash flow

- ☐ **14.** Do I have enough cash or short-term reserves for emergencies and for the first months of retirement spending?
- ☐ **15.** Have I reviewed which debts will remain in retirement and what they cost each month?
- ☐ **16.** Have I stress-tested the plan for a significant market decline during the first few years of withdrawals?

☐ **17.** Do I know exactly which account will fund my first year of retirement spending?

FIRST RETIREMENT YEAR AND BEYOND

Taxes, beneficiaries and the long view

☐ **18.** Have I estimated my taxable income for each of the first several retirement years? Use Worksheet B.

☐ **19.** Have I evaluated whether Roth conversions are relevant, rather than assuming they always save taxes?

☐ **20.** Are beneficiary designations on every account current and consistent with my estate documents?

☐ **21.** Have I planned income through at least age 70, not just the first year?

☐ **22.** Have I considered how required minimum distributions in my 70s could affect taxable income and Medicare premiums?

Part 2: Worksheet A — Retirement budget

Use today's dollars. Look at 12 months of bank and card statements so that irregular costs such as car repairs, insurance renewals and gifts are not left out. Divide annual costs by 12.

Worksheet A: Monthly spending before and after retirement

Category	Today (monthly)	Retirement estimate (monthly)	Essential or discretionary?
Housing (mortgage or rent, property tax, insurance, HOA)			
Utilities, phone, internet			
Food and household			
Transportation (payments, fuel, insurance, repairs)			
Health insurance premiums (before Medicare)			

Category	Today (monthly)	Retirement estimate (monthly)	Essential or discretionary?
Out-of-pocket medical, dental, vision, prescriptions			
Other insurance (life, long-term care, umbrella)			
Debt payments (other than mortgage)			
Travel and recreation			
Gifts, giving and family support			
Home maintenance and replacement reserve			
Income taxes not withheld elsewhere			
Other			
Total			

Part 3: Worksheet B — The 62-to-67 income gap

This worksheet shows how much of each year's spending must come from savings. Fill in one row per year. If you are married, use household figures, and note each spouse's age.

Worksheet B: Annual income gap by age

Age	Annual spending (from A × 12)	Health premiums and out-of-pocket	Social Security	Pension or other income	Part-time earnings	Gap to fund from savings	Account that funds the gap
62							
63							
64							
65							
66							
67							

Gap = spending + health costs – Social Security – pension or other income – earnings. Add a column for taxes if withdrawals will come from traditional (pre-tax) accounts, because a \$1 gap can

require more than \$1 of pre-tax withdrawal.

Filled-in illustration

HYPOTHETICAL

A single person retires at 62. Spending is \$4,500 per month (\$54,000 per year). The person delays Social Security to 67 and has no pension. Health premiums and out-of-pocket costs are assumed at \$10,000 per year until Medicare, then \$5,000 per year. All numbers are invented for illustration and ignore taxes, inflation and investment returns.

Hypothetical income gap (illustration only)

Age	Spending	Health costs	Social Security	Gap from savings
62	\$54,000	\$10,000	\$0	\$64,000
63	\$54,000	\$10,000	\$0	\$64,000
64	\$54,000	\$10,000	\$0	\$64,000
65	\$54,000	\$5,000	\$0	\$59,000
66	\$54,000	\$5,000	\$0	\$59,000
67	\$54,000	\$5,000	\$30,000	\$29,000

In this illustration, five years of near-full spending come from savings before Social Security starts. Claiming at 62 instead would shrink those early gaps but lock in a permanently smaller benefit. Neither choice is right for everyone. The worksheet simply makes the trade-off visible.

Questions to ask before you give notice

Your employer or HR department

- ☐ On what date does my health coverage end, and when will the COBRA election notice arrive?
- ☐ Is any retiree health coverage or bridge benefit available, and what does it cost?
- ☐ Will I receive a bonus, unused-vacation payout or deferred compensation, and in which tax year?
- ☐ Does my retirement date affect pension calculations, vesting or the employer match for this year?

Your retirement plan administrator

- ☐ What withdrawal options does the plan offer after separation (partial, installment, lump sum)?
- ☐ Can I stay in the plan, and what are its fees and investment choices?
- ☐ Do I hold employer stock, Roth money or after-tax contributions that need special handling?

Social Security

- ☐ Is my earnings record complete?
- ☐ What are my estimated benefits at 62, full retirement age and 70?
- ☐ If I am married, divorced after 10+ years of marriage, or widowed, which spousal or survivor benefits may apply?

Common mistakes

- **Treating the account balance as income.** A balance must be converted into a withdrawal plan that survives bad markets and covers taxes.
- **Underestimating health costs before 65.** Premiums are only part of the cost. Deductibles and prescriptions can be large.
- **Claiming at 62 while still earning a paycheck.** In 2026, Social Security withholds \$1 of benefits for every \$2 earned above \$24,480 if you are under full retirement age for the whole year. For example HYPOTHETICAL, earnings of \$34,480 are \$10,000 over the limit, so \$5,000 of benefits would be withheld. Withheld benefits are not simply lost; SSA recalculates the benefit at full retirement age. Even so, the cash-flow surprise can be real.
- **Rolling a 401(k) to an IRA before checking the Rule of 55.** The IRS age-55 exception applies to the employer plan, not to IRAs.
- **Ignoring the Marketplace income cliff.** For 2026 coverage, premium tax credits are generally not available when household income is above 400% of the federal poverty level (\$62,600 for one person, \$84,600 for two in the 48 contiguous states). A large IRA withdrawal or capital gain can matter.
- **Planning only to the first year.** The plan should run through 70 and beyond, including required minimum distributions and a surviving spouse's income.

2026 reference figures

Selected 2026 figures (verified October 2026; check current-year amounts before acting)

Item	2026 amount
Social Security earnings-test limit (under full retirement age all year)	\$24,480 per year (\$1 withheld for every \$2 above)
Earnings-test limit in the year you reach full retirement age	\$65,160 (\$1 withheld for every \$3 above, counting only months before full retirement age)
Social Security cost-of-living adjustment for 2026	2.8%
401(k)/403(b)/governmental 457 employee deferral limit	\$24,500; catch-up at 50+ \$8,000; ages 60–63 catch-up \$11,250
IRA contribution limit	\$7,500; catch-up at 50+ \$1,100
Medicare Part B standard monthly premium	\$202.90
400% of poverty level for 2026 Marketplace coverage (contiguous states)	\$62,600 (one person); \$84,600 (two people)

Where to get official help

- **Social Security:** ssa.gov and your my Social Security account, or 1-800-772-1213.
- **Medicare:** [Medicare.gov](https://medicare.gov) or 1-800-MEDICARE (1-800-633-4227). Illinois residents can get free, unbiased counseling through the state's SHIP program, the Senior Health Insurance Program.
- **Marketplace coverage:** [HealthCare.gov](https://healthcare.gov) or 1-800-318-2596. Illinois uses its own state-based Marketplace, Get Covered Illinois.
- **COBRA rights:** U.S. Department of Labor, Employee Benefits Security Administration, 1-866-444-3272.

Sources

- SSA — Retirement age and benefit reduction
- SSA — Receiving benefits while working
- SSA — 2026 cost-of-living adjustment fact sheet
- IRS — 2026 401(k) and IRA limits
- IRS — Exceptions to the tax on early distributions
- IRS — Required minimum distributions

- CMS — 2026 Medicare Parts A and B premiums and deductibles
 - Medicare.gov — When Medicare coverage starts
 - Congressional Research Service — ACA premium tax credit after 2025
 - U.S. Department of Labor — COBRA FAQs
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Strong Tower Advisors · 6653 Weaver Rd., Rockford, IL 61114 · (815) 986-7782 ·
info@strongtoweradvisors.com · Schedule an introductory call