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Alert: 8 Retirement Deadlines You Can't Afford To Miss

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Whether you're planning to retire or you're already there, missing deadlines will cost you. Use this checklist to avoid disaster...

Image Alt Text: Alert: 8 Retirement Deadlines You Can't Afford To Miss

Sometime in June 2012, a person walked into a Maverik convenience store in Meridian, Idaho, and bought a Powerball lottery ticket.

Powerball, as many know, is a simple $2 bet: Pick six numbers, wait for the drawing and win the prize if your numbers match the drawing. The odds of winning are incredibly tiny, but the jackpots can be monstrous -- hundreds of millions of dollars.

Of course, you don't have to match all six numbers to win something. If you match the first five, you'll still win a cool $1 million.

#-ad_banner-#That's exactly what happened on June 19, 2012, for that lucky convenience store customer.

The problem, of course, was the deadline. In Idaho, you have to claim lottery prizes within six months of the drawing. For our friend at the Maverik store, that meant claiming the prize by December 14, 2012. But nobody ever showed up.

Why? It could've been that the winner never checked the ticket. Maybe the winner lost the ticket. Or maybe the winner just didn't know about the deadline. Regardless, the deadline passed and the winnings went back to the lottery. The "winner" never got his million dollars.

The moral of the story is that disorganization costs you. Missing deadlines costs you.

In investing, this is especially true. You may think that once you're close to retirement, you'll care less about deadlines and more about goofing off. Though that's a nice idea, those years before retirement actually have some of the most important investing deadlines of your life. Read our list so you don't become the next "guy who forgot to pick up his money."

Here are eight deadlines you can't afford to miss, ordered by age:

1. Age 50

If you've been a good saver and you're turning 50, your big problem might be how to deal with that bald spot. But for most people, 50 is a financial wake-up call. That's why once you turn 50 you're allowed to start contributing around $5,000 more a year (these are called "catch-up contributions") to your 401(k) than those spring chickens can (the number changes every year; check with the IRS). Note that the catch-up contributions to IRAs are lower (they were only $1,000 in 2013).

2. Age 55

If you get laid off, lose your job, or otherwise stop working for your former employer when you're 55, the IRS allows you to start taking withdrawals from your 401(k) plan without paying a huge IRS penalty to do it. If you're keeping your job, you have to wait until you're age 59 ½.

3. Age 59½

This is when you can start taking withdrawals from your IRA and 401(k) without paying a huge IRS penalty to do it (the penalty hurts, too: income tax plus 10% on the proceeds). Generally, you can make penalty-free withdrawals before this age if the money is for a first-time home purchase or to pay educational expenses.

4. Three Months Before You Turn 62

This is the earliest many people can apply to begin receiving Social Security benefits. However, it's important to note that the earlier you opt to get benefits, the smaller those benefits will be. According to the Social Security administration, at age 62, you only get 70% of the monthly benefit you would get if you waited until 67. Spousal benefits may also be lower.

5. Three Months Before You Turn 65

You need to sign up for Medicare three months before your 65th birthday. You can apply for Medicare at SocialSecurity.gov.

Remember, Medicare has four parts: Part A (which covers hospital stays), Part B (which covers doctor visits and other medical services), Part C (also called Medicare Advantage; it pays for stuff that Parts A and B don't cover), and Part D (for prescriptions).

Don't wait until your 65th birthday or after -- you can't just stroll in and sign up when you feel like it. If you miss the deadline three months before your birthday, you'll have to wait for the "general enrollment period," which runs from January 1 to March 31 of each year, and then your coverage doesn't begin until July.

Besides the fact that procrastination can mean going a while without coverage, you'll also pay more for your coverage. (Medicare is not free -- you have to pay a monthly premium.) If you enroll late, you have to pay a higher premium (about 10% higher for each 12-month period you were eligible for Medicare but didn't enroll).

Of course, if you're one of the millions of people who plan to keep working after age 65 and want to stay on your employer's health plan, you don't have to sign up for Medicare three months before your 65th birthday and you don't get hit by the 10% surcharge for waiting. Instead, Medicare lets you wait until you stop working, go part-time, or do something else that involves leaving your employer's plan -- but you have to sign up for Medicare no later than eight months after you leave the health plan.

6. Age 65

This is another common age at which to start taking Social Security benefits. Though you can start getting them as early as age 62, you'll get more per month if you wait until your retirement age, which varies based on when you were born. Your spouse's benefits may also be lower. However, at 65, some people will still only get 86.7% of what they'd get if they wait until they're 70 to start collecting. Check the Social Security Administration's website for a series of calculators that will help you get a handle on your specific benefit situation.

7. Age 70

Right now, this is the age at which you'll receive the maximum Social Security benefit -- if you can hold off that long. It's important to note, however, that Social Security is in turmoil right now and that your benefits vary according to how much you've put into the plan and what year you were born. Find out how your birth year affects your benefits at the Social Security Administration's website.

8. April 1 Of The First Year In Which You Turn Age 70½

At this point, it will start to seem like everybody wants you to start taking your money back. This is when you're required to take minimum distributions from tax-deferred retirement plans such as 401(k)s and IRAs (except a Roth IRA) every year -- even if you're still punching a clock every day. So, if your birthday is September 21 and you turn 70 ½ on March 21, 2013, by April 1, 2013, you must start withdrawing money from your 401(k).

The Investing Answer: Life is full of deadlines, and retirement planning is a part of life. If you want to maximize your retirement benefits and ensure that your money stretches as far as it can go, be sure you know when you need to apply for benefits. Don't assume that you can just do it when you feel like it. It'll cost you.

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