



Taxes and Withdrawals in Retirement

KEEPING MORE OF WHAT
YOU'VE EARNED

Welcome

- ▶ Today's class will focus on how to coordinate withdrawals and minimize taxes in retirement.
- ▶ You'll learn practical ways to keep more of what you've worked hard to save.

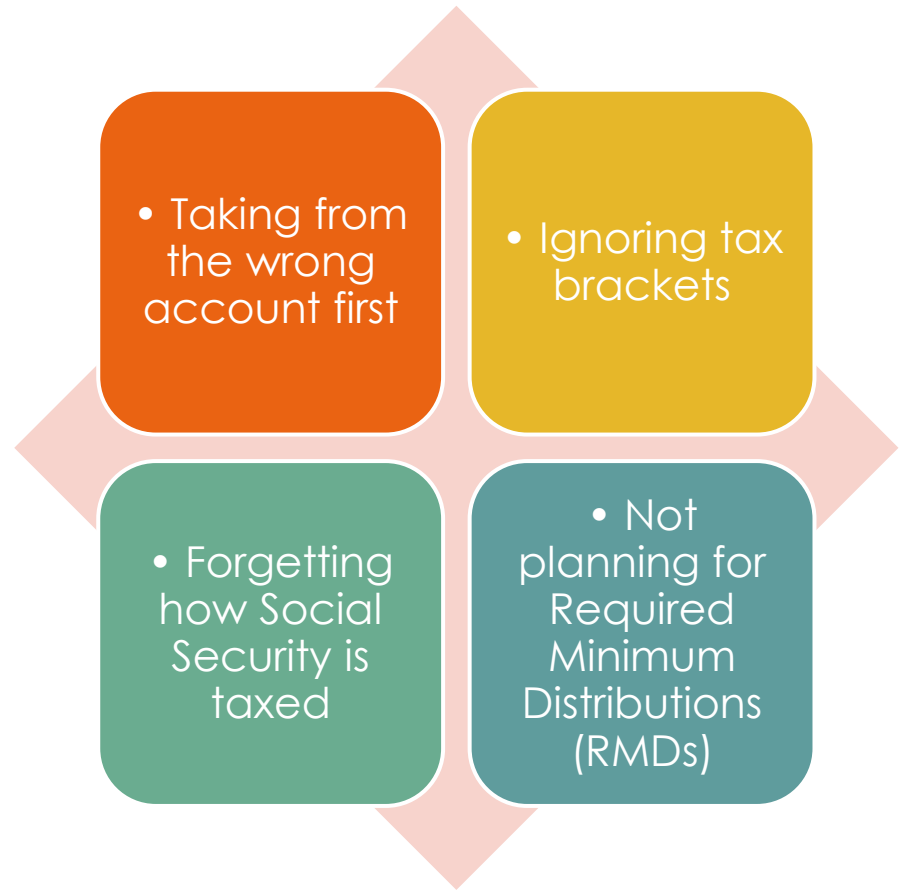
The Big Picture



Retirement income is more than just pulling from your IRA.

It's about combining different income sources, Social Security, pensions, investment accounts, in a way that reduces taxes and supports your lifestyle.

Common Withdrawal Mistakes



The Three Buckets of Money

1. Tax-deferred: Traditional IRA, 401 (k)



2. Tax-free: Roth IRA, Roth 401 (k)



3. Taxable: Brokerage, savings, CDs



Smart retirement income comes from balancing these buckets.

How Withdrawals Affect Taxes



YOUR WITHDRAWAL STRATEGY
DETERMINES HOW MUCH OF YOUR
INCOME IS TAXED.



EXAMPLE: PULLING \$1 FROM AN IRA CAN
TRIGGER TAXES ON SOCIAL SECURITY OR
PUSH YOU INTO A HIGHER BRACKET.

The Social Security Tax Trap



UP TO 85% OF YOUR SOCIAL
SECURITY MAY BE TAXABLE
DEPENDING ON YOUR INCOME.



COORDINATING IRA
WITHDRAWALS AND TAXABLE
INCOME CAN HELP MANAGE THIS.

Medicare Premium Surcharges (IRMAA)



Higher income can increase
your Medicare premiums.



Understanding thresholds
helps you plan withdrawals to
stay below key limits.

Required Minimum Distributions (RMDs)

RMDs start at age 73 for most retirees.

Failing to plan can lead to large, taxable withdrawals later. Start managing balances early.

The Roth Advantage

Roth IRAs grow tax-free and have no RMDs.

Converting to Roth in lower-income years can provide long-term tax savings.

Charitable Giving Strategies



Qualified Charitable Distributions (QCDs) allow direct donations from your IRA at age 70½+.



QCDs count toward RMDs but are not taxable income.

Example: Coordinating Withdrawals

Year 1: Draw
from taxable
account

Year 2: Partial
Roth conversion
while in low
bracket

Year 3: Use IRA
withdrawals
after Roth
growth

This can lower
lifetime taxes
and stretch
assets.

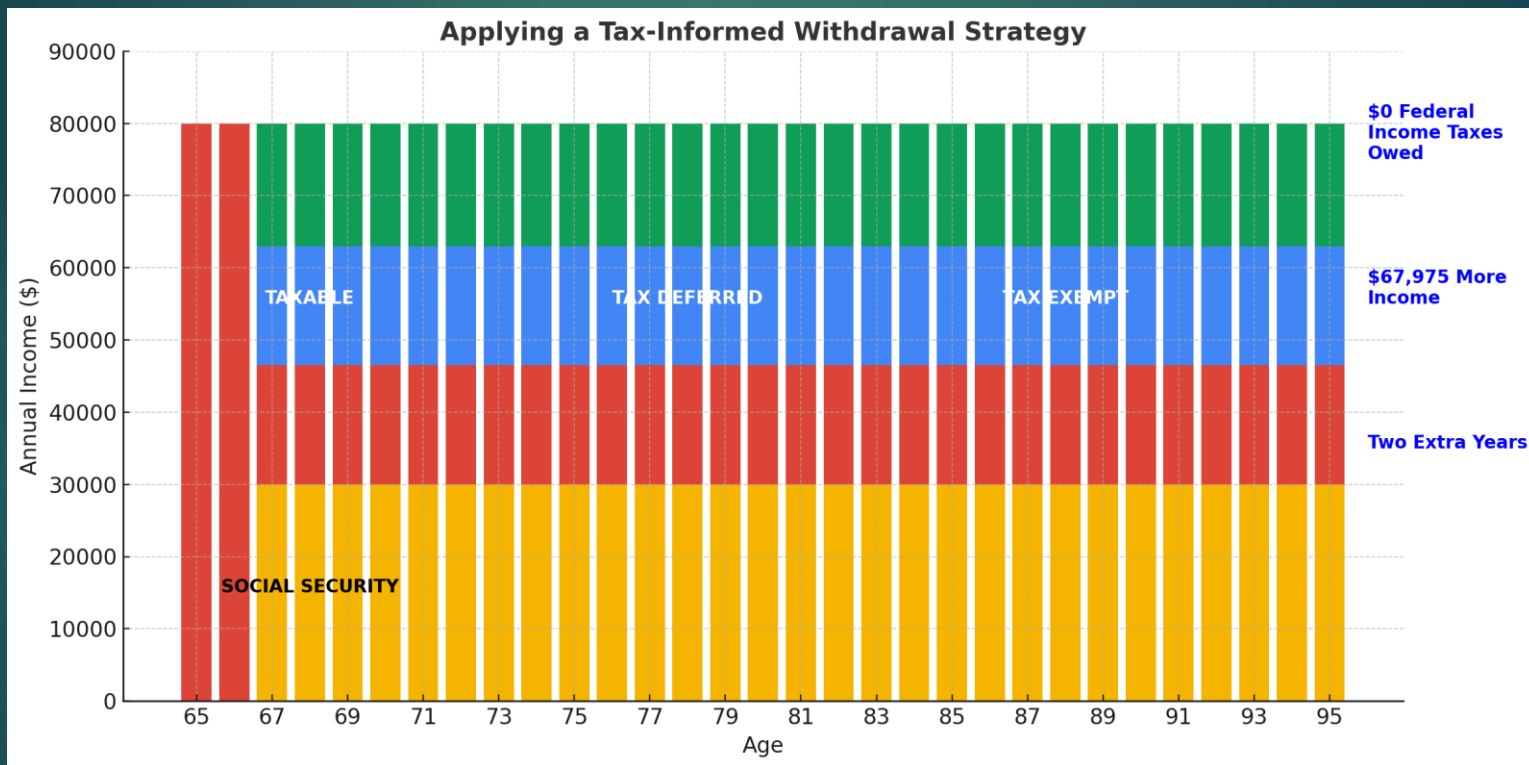
Case Study: The Johnsons

The Johnsons retired with \$2M in savings.

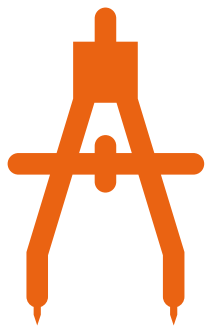


They balanced withdrawals across accounts to stay in the 12% tax bracket, saved \$15K/year in taxes, and extended portfolio longevity by 6 years.

What does that look like?



The Role of Tax Brackets



Know where the bracket edges are.



Strategic withdrawals or conversions
can fill up lower brackets without
triggering higher taxes.

Tools and Planning Resources



- Tax map or bracket chart



- Withdrawal strategy worksheets



- Online calculators for RMD and Social Security



- Annual tax review with your advisor

How Advisors Add Value

1

Advisors help coordinate income sources, manage taxes, and adjust plans as laws change.

2

The goal: steady income, lower taxes, and peace of mind.

Action Steps



1. Review your account types and balances



2. Estimate your annual income and tax bracket



3. Discuss Roth conversions or QCDs with your advisor



4. Revisit your plan annually

Key Takeaways

- Withdrawal order matters

- Taxes can be managed, not avoided

- Strategic planning helps your money last longer

Thank
You

Questions or
thoughts?



Staying informed
helps you make
confident financial
decisions throughout
retirement.