



INVESTING IN THE TSP



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WHAT IS THE TSP? = Thrift Savings Plan

The TSP is a defined contribution plan that allows you to invest in stocks, bonds *and* the G Fund.



Why

- **Pre-tax:** Contributions taken out before taxes withheld, reducing taxable income.
- **Tax deferral:** Taxes are deferred until you withdraw your money.
- For FERS employees: an **integral part** of your retirement package, along with your FERS Basic Annuity and Social Security.
- For CSRS employees: a **supplement** to the CSRS annuity.



Note

- Your TSP retirement income **depends** on how much is contributed and earned during your working years.
- The value of your account and the amount of benefits are **not guaranteed**.
- Contributions are **voluntary**
- **Separate** from your contributions to your FERS Basic Annuity or CSRS annuity.

Traditional & ROTH TSP

- **Traditional (pre-tax)**-You defer paying taxes on your contributions and their earnings until you withdraw them. If you are a uniformed services member making tax-exempt contributions, your contributions will be tax-free at withdrawal but your earnings will be subject to tax.

- **Roth (after-tax)**-
You pay taxes on your contributions as you make them (unless you are making tax-exempt contributions), and your earnings are tax-free at withdrawal as long as you meet certain IRS requirements



The Treatment of...	Traditional TSP	Roth TSP
Contributions	Pre-tax	After-tax¹
Your Paycheck	<i>Taxes are deferred*</i> , so less money is taken out of your paycheck.	<i>Taxes are paid up front*</i> , so more money comes out of your paycheck.
Transfers In	<i>Transfers</i> allowed from eligible employer plans and traditional IRAs	<i>Transfers</i> allowed from Roth 401(k)s, Roth 403(b)s, and Roth 457(b)s
Transfers Out	<i>Transfers</i> allowed to eligible employer plans, traditional IRAs, and Roth IRAs ²	<i>Transfers</i> allowed to Roth 401(k)s, Roth 403(b)s, Roth 457(b)s, and Roth IRAs ³
Withdrawals	<i>Taxable</i> when withdrawn	<i>Tax-free</i> earnings if five years have passed since January 1 of the year you made your first Roth contribution, AND you are age 59½ or older, permanently disabled, or deceased

To Clear Up the Confusion

ROTH TSP vs. ROTH IRA 2026

	Roth TSP	Roth IRA	
Required Minimum Distributions	No	No	Phase Out!!!!
Income Limitation for Contributions	No	Yes	Single/Head of Household AGI: \$153,000-\$168,000 Married Filing Joint AGI: \$242,000 - \$252,000
Annual Maximum Contributions	\$24,500	\$8,000	
Catch Up Provision 50+	\$8,000	\$1,000	
Total Potential Annual Contribution	\$32,500	\$9,000	

TSP / Roth In-Plan Conversions



What's New

- Available in My Account on Jan 28, 2026
- Traditional → Roth conversion inside the TSP
- First conversion creates a Roth TSP balance (if needed)
- Irreversible once completed
- No stated age limit (working or retirement)

Key Rules

- \$500 minimum per conversion
- Up to 26 conversions/year per TSP account
- Conversion amount is taxable income that year
- Taxes must be paid from outside the TSP (no withholding)

TSP / Roth In-Plan Conversions

Five-year rules (two clocks)



1) Roth Earnings Qualification

Earnings can be tax-free if BOTH are true:

- 5 years since Jan 1 of first Roth TSP contribution (or first conversion if it creates Roth)
- AND age 59½, disability, or death condition is met



2) Converted Amount Penalty Clock

Each conversion starts its own 5-year clock (from Jan 1 of the conversion year).

Withdraw converted amounts within 5 years → 10% early withdrawal penalty may apply unless an exception applies (e.g., age 59½).

Secure Act 2.0: Catch-Up Changes:

Catch-
Up

Increased Catch-up Limits at Age in the Years You Turn 60, 61, 62, and 63*

- Higher Catch-up is \$11,250 instead of \$8,000. That's a difference of \$3,250.
- Effective date: Calendar years beginning after December 31, 2024
- Applicable plans: TSP, 401(k), 403(b)



Catch-Up Contributions: New Rules and Eligibility

01

Affects High TSP Earners

The new catch-up contribution rule **affects high earners** starting in January 2026 (per SECURE Act 2.0).

02

Age 50+ Earning >\$150K

Applies to those eligible for catch-up (age 50+ by Dec 31 next year) earning over \$150,000 in 2026.

03

Threshold Adjusts

\$150,000 threshold called '*Roth catch-up wage threshold*'; **adjusts annually** by CPI.

04

Implement Now

TSP implements rule in 2026; other 401(k)s not required until 2027.



High Earner Rule Details and Employer-Specific Income



FICA Wages

2026 catch-up contribution rule **uses \$150,000 FICA wages** from 2025 W-2, box 3.



Individuals Only

Income threshold applies to individual, not combined spousal income.



Only Sponsoring Employer

Only wages from the employer sponsoring the 401(k)/TSP **are counted**.



CSRS Employees Not Subject

CSRS employees (non-offset) are not subject to this rule due to lack of FICA income.



TSP Fund Basics:

Two approaches to investing your money:

Individual Funds - You can make your own decisions about your investment mix by choosing from any or all of the individual TSP investment funds (C, S, I, F, and G Funds).

L Funds - These are "lifecycle" funds that are invested according to a professionally designed mix of stocks, bonds, and Government securities. You select your L Fund based on your "time horizon," the future date at which you plan to start withdrawing your money. Depending on your plans, this may be right away or some time in the future.

THE TSP FUNDS: WHAT IS INSIDE?

The Lifecycle funds

L Income	L 2030	L 2035	L 2040	L 2045	L 2050	L 2055	L 2060	L 2065	L 2070	L 2075
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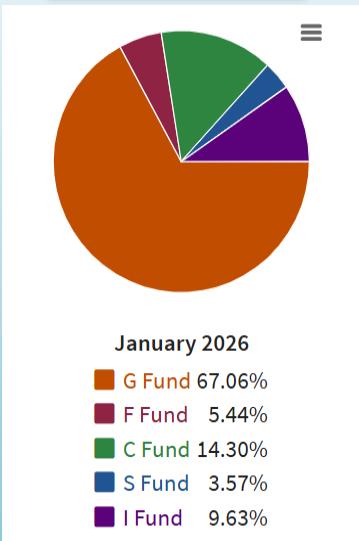
Stocks, bonds and G (savings). The Lifecycle Funds are composed of various combinations of the G, F, C, S and I funds.

The Traditional Funds

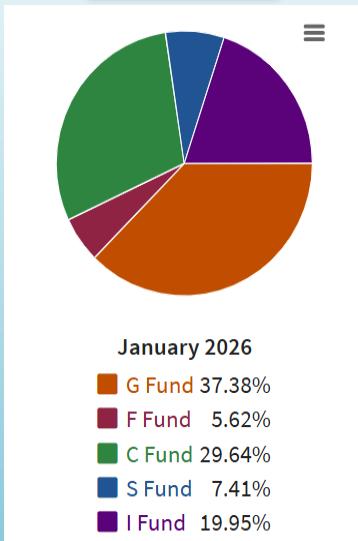
C Fund	S Fund	I Fund	F Fund	G Fund
US Stocks, Large Companies	US Stocks	International Stocks	US Bonds	Savings Type Account

L Funds Allocation Comparison

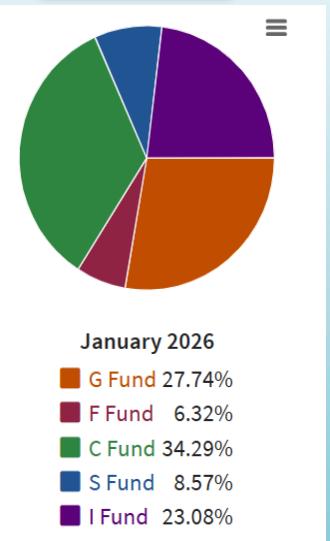
L Income



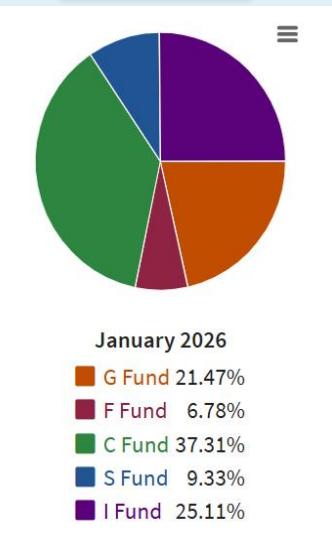
L 2030



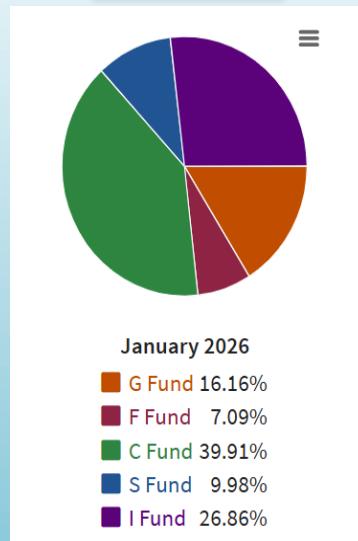
L 2035



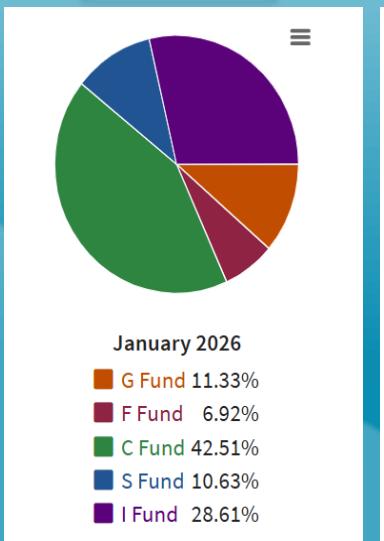
L 2040



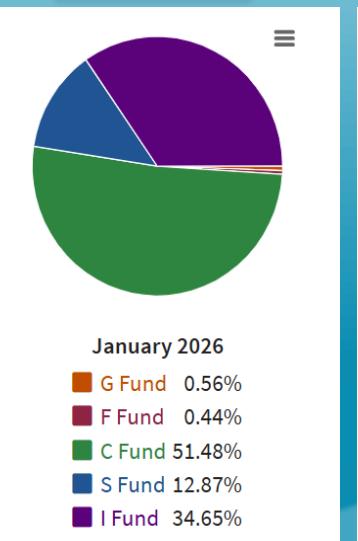
L 2045



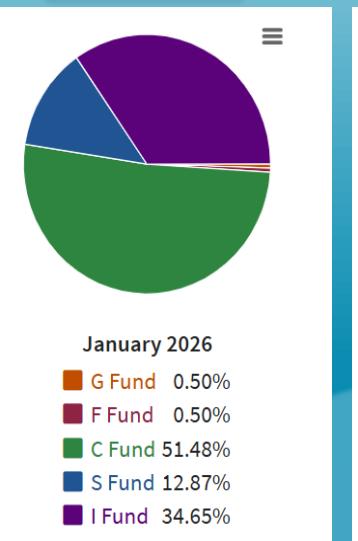
L 2050



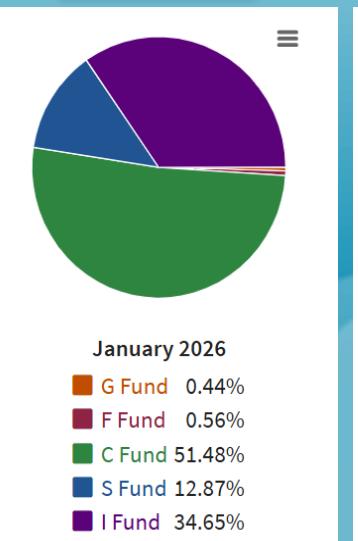
L 2055



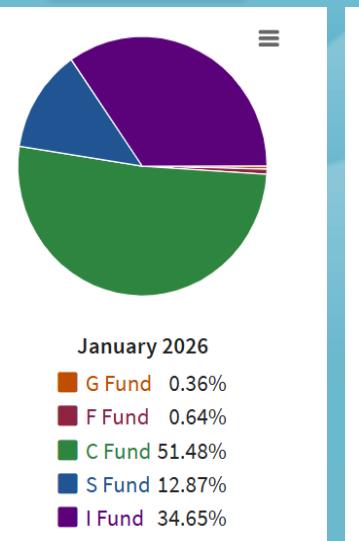
L 2060



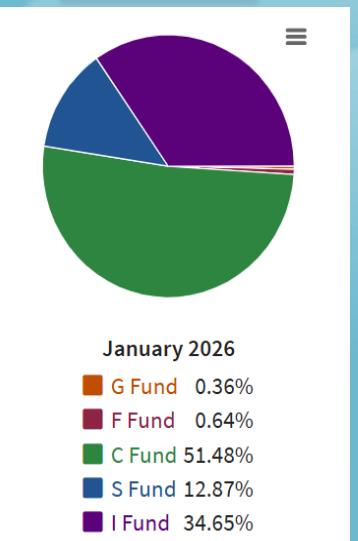
L 2065



L 2070



L 2075



Recent Investment Returns for the TSP Funds

Rates of return as of November 30, 2025

Year	G Fund Bond/US Govt. Short Term	F Fund Bond/US Intermediate	C Fund Stocks – Large US Companies (S&P 500)	S Fund Stocks – Small and Medium US Companies	I Fund Stocks - International
Inception date	4/1/1987	1/29/1988	1/29/1988	5/1/2001	5/1/2001
1 year	4.46%	5.65%	14.96%	4.08%	24.91%
3 year	4.35%	4.54%	20.52%	15.31%	15.91%
5 year	3.42%	-0.22%	15.24%	7.85%	9.75%
10 year	2.74%	2.10%	14.60%	10.66%	8.15%
Since inception	4.65%	5.32%	11.36%	9.47%	5.90%

Asset Class Returns

2010–2024

Ann.	Vol.	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD
Large Cap 13.9%	Small Cap 20.6%	REITs 27.9%	REITs 8.3%	REITs 19.7%	Small Cap 38.8%	REITs 28.0%	REITs 2.8%	Small Cap 21.3%	EM Equity 37.8%	Cash 1.8%	Large Cap 31.5%	Small Cap 20.0%	REITs 41.3%	Comdty. 16.1%	Large Cap 26.3%	Large Cap 25.0%	DM Equity 19.9%
Small Cap 10.3%	EM Equity 17.9%	Small Cap 26.9%	Fixed Income 7.8%	High Yield 19.6%	Large Cap 32.4%	Large Cap 13.7%	Large Cap 1.4%	High Yield 14.3%	DM Equity 25.6%	Fixed Income 0.0%	REITs 28.7%	EM Equity 18.7%	Large Cap 28.7%	Cash 1.5%	DM Equity 18.9%	Small Cap 11.5%	EM Equity 15.6%
REITs 9.4%	REITs 16.8%	EM Equity 19.2%	High Yield 3.1%	EM Equity 18.6%	DM Equity 23.3%	Fixed Income 6.0%	Fixed Income 0.5%	Large Cap 12.0%	Large Cap 21.8%	REITs -4.0%	Small Cap 25.5%	Large Cap 18.4%	Comdty. 27.1%	High Yield -12.7%	Small Cap 16.9%	Asset Alloc. 10.0%	Asset Alloc. 7.0%
Asset Alloc. 7.2%	DM Equity 16.5%	Comdty. 16.8%	Large Cap 2.1%	DM Equity 17.9%	Asset Alloc. 14.9%	Asset Alloc. 5.2%	Cash 0.0%	Comdty. 11.8%	Small Cap 14.6%	High Yield -4.1%	DM Equity 22.7%	Asset Alloc. 10.6%	Small Cap 14.8%	Fixed Income -13.0%	Asset Alloc. 14.1%	High Yield 9.2%	High Yield 6.8%
High Yield 5.9%	Comdty. 16.1%	Large Cap 15.1%	Cash 0.1%	Small Cap 16.3%	High Yield 7.3%	Small Cap 4.9%	DM Equity -0.4%	EM Equity 11.6%	Asset Alloc. 14.6%	Large Cap -4.4%	Asset Alloc. 19.5%	DM Equity 8.3%	Asset Alloc. 13.5%	Asset Alloc. -13.9%	High Yield 14.0%	EM Equity 8.1%	Large Cap 6.2%
DM Equity 5.7%	Large Cap 15.1%	High Yield 14.8%	Asset Alloc. -0.7%	Large Cap 16.0%	REITs 2.9%	Cash 0.0%	Asset Alloc. -2.0%	REITs 8.6%	High Yield 10.4%	Asset Alloc. -5.8%	EM Equity 18.9%	Fixed Income 7.5%	DM Equity 11.8%	DM Equity -14.0%	REITs 11.4%	Comdty. 5.4%	Comdty. 5.5%
EM Equity 3.4%	Asset Alloc. 10.4%	Asset Alloc. 13.3%	Small Cap -4.2%	Asset Alloc. 12.2%	Cash 0.0%	High Yield 0.0%	High Yield -2.7%	Asset Alloc. 8.3%	REITs 8.7%	Small Cap -11.0%	High Yield 12.6%	High Yield 7.0%	High Yield 1.0%	Large Cap -18.1%	EM Equity 10.3%	Cash 5.3%	Fixed Income 4.0%
Fixed Income 2.4%	High Yield 9.4%	DM Equity 8.2%	DM Equity -11.7%	Fixed Income 4.2%	Fixed Income -2.0%	EM Equity -1.8%	Small Cap -4.4%	Fixed Income 2.6%	Fixed Income 3.5%	Comdty. -11.2%	Fixed Income 8.7%	Cash 0.5%	Cash 0.0%	EM Equity -19.7%	Fixed Income 5.5%	REITs 4.9%	Cash 2.1%
Cash 1.2%	Fixed Income 4.7%	Fixed Income 6.5%	Comdty. -13.3%	Cash 0.1%	EM Equity -2.3%	DM Equity -4.5%	EM Equity -14.6%	DM Equity 1.5%	Comdty. 1.7%	DM Equity -13.4%	Comdty. 7.7%	Comdty. -3.1%	Fixed Income -1.5%	Small Cap -20.4%	Cash 5.1%	DM Equity 4.3%	REITs 1.8%
Comdty. -1.0%	Cash 0.9%	Cash 0.1%	EM Equity -18.2%	Comdty. -1.1%	Comdty. -9.5%	Comdty. -17.0%	Comdty. -24.7%	Cash 0.3%	Cash 0.8%	EM Equity -14.2%	Cash 2.2%	REITs -5.1%	EM Equity -2.2%	REITs -24.9%	Comdty. -7.9%	Fixed Income 1.3%	Small Cap -1.8%

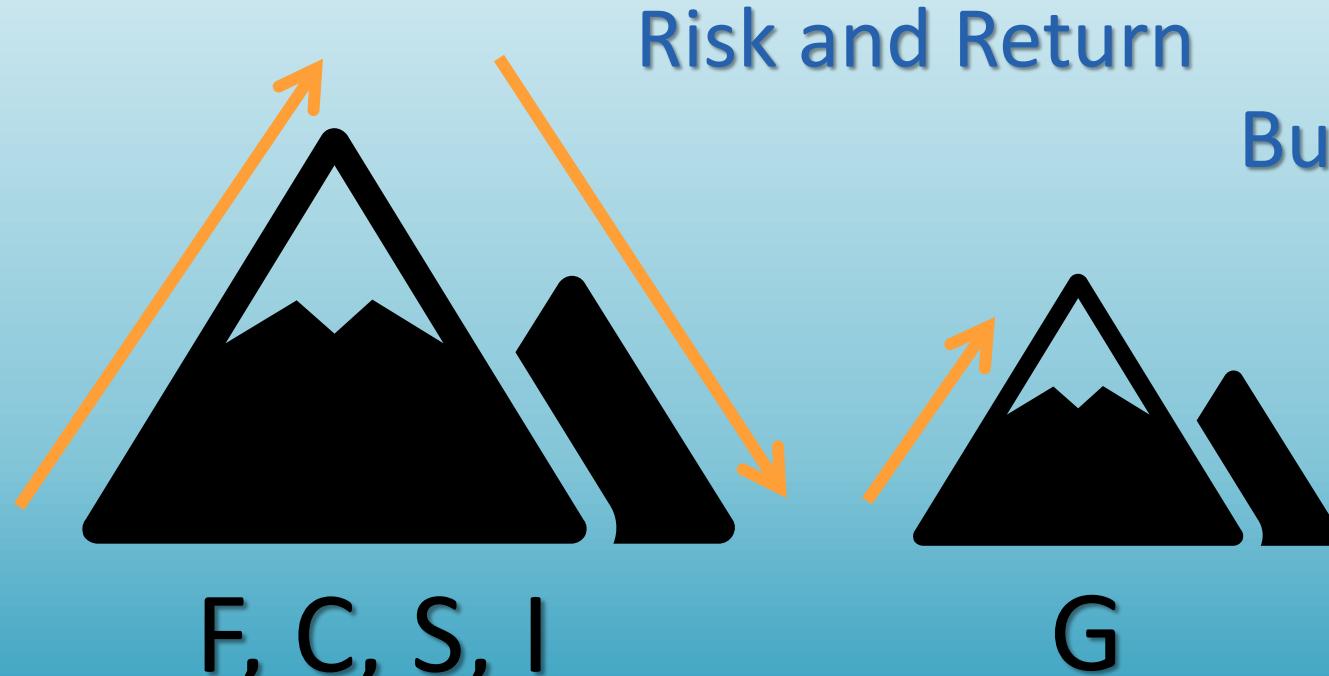
TSP Fund - 2

Year	G Fund	F Fund	C Fund	S Fund	I Fund
2022	2.98%	-12.83%	-18.13%	-26.26%	-13.94%
2018	2.91%	0.15%	-4.41%	-9.26%	-13.43%
2008	3.75%	5.45%	-36.99%	-38.32%	-42.43%
2002	5.00%	10.27%	-22.05%	-18.14%	-15.98%
2001	5.39%	8.61%	-11.94%		
2000	6.42%	11.67%	-9.14%		

ASSET ALLOCATION

Choosing Your Investment Mix

Consider...



Risk and Return

Buy and Hold

Diversify



Time = Sustained Risk

Review and Rebalance

Understanding the 4% Withdrawal Rule

If an investor withdraws a fixed percentage of their assets annually for retirement expenses, what is the likelihood that they will outlive their savings?

Withdrawal Rate	100/0	75/25	50/50	25/75	0/100
3%	100%	100%	100%	100%	84%
4%	98%	100%	96%	80%	35%
5%	80%	82%	67%	31%	22%
6%	62%	60%	51%	22%	11%
7%	55%	45%	22%	7%	2%
8%	44%	35%	9%	0%	0%

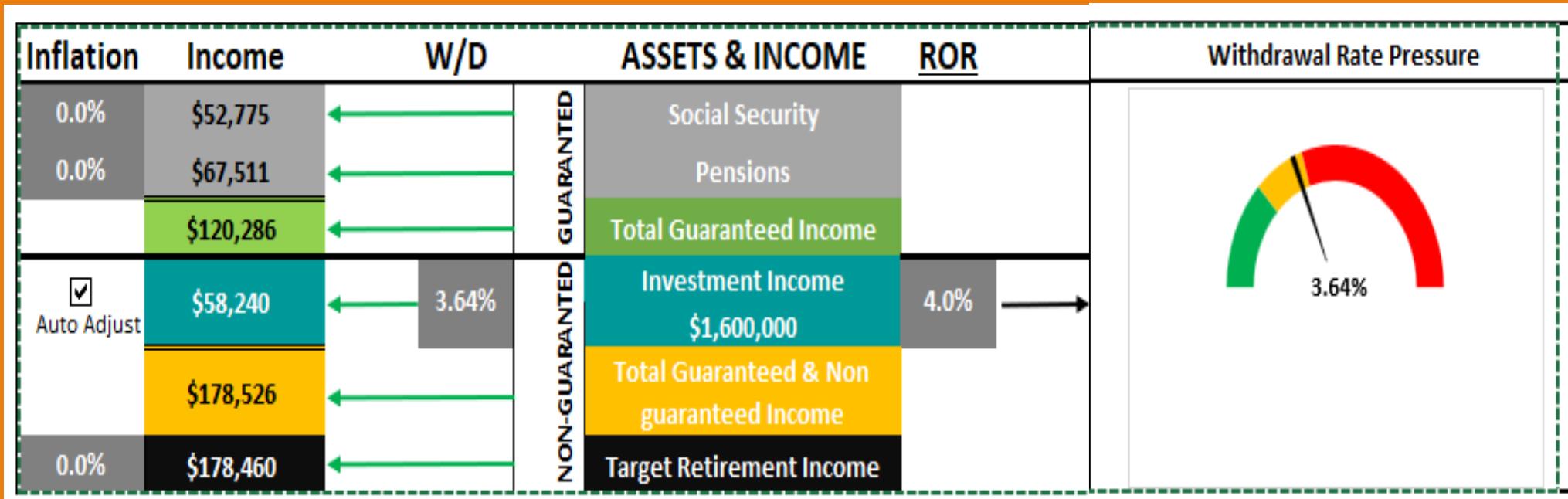
Understanding Your Target Retirement Income (TRI)

Step #1:

Gross Income – Spouse A	\$150,000
Gross Income - Spouse B	\$100,000
Total Gross Income	\$250,000
Less	
TSP/401(k)	\$27,000
TSP/401(k)	\$27,000
Social Security	\$17,540
Savings	\$0
Mortgage	\$0
Roth TSP	\$0
Roth	\$0
Non/Qualified IRA	\$0
College	\$0
Credit Cards	\$0
Tax Equivalent	\$0
Total Payments	\$71,540
Target Retirement Income	\$178,460

Step #2: Understanding Your Investment Income Need

Target Retirement Income	\$178,460
Social Security	(\$52,775)
Pension	(\$67,511)
Investment Income Needed	→ \$58,174



Asset Allocation

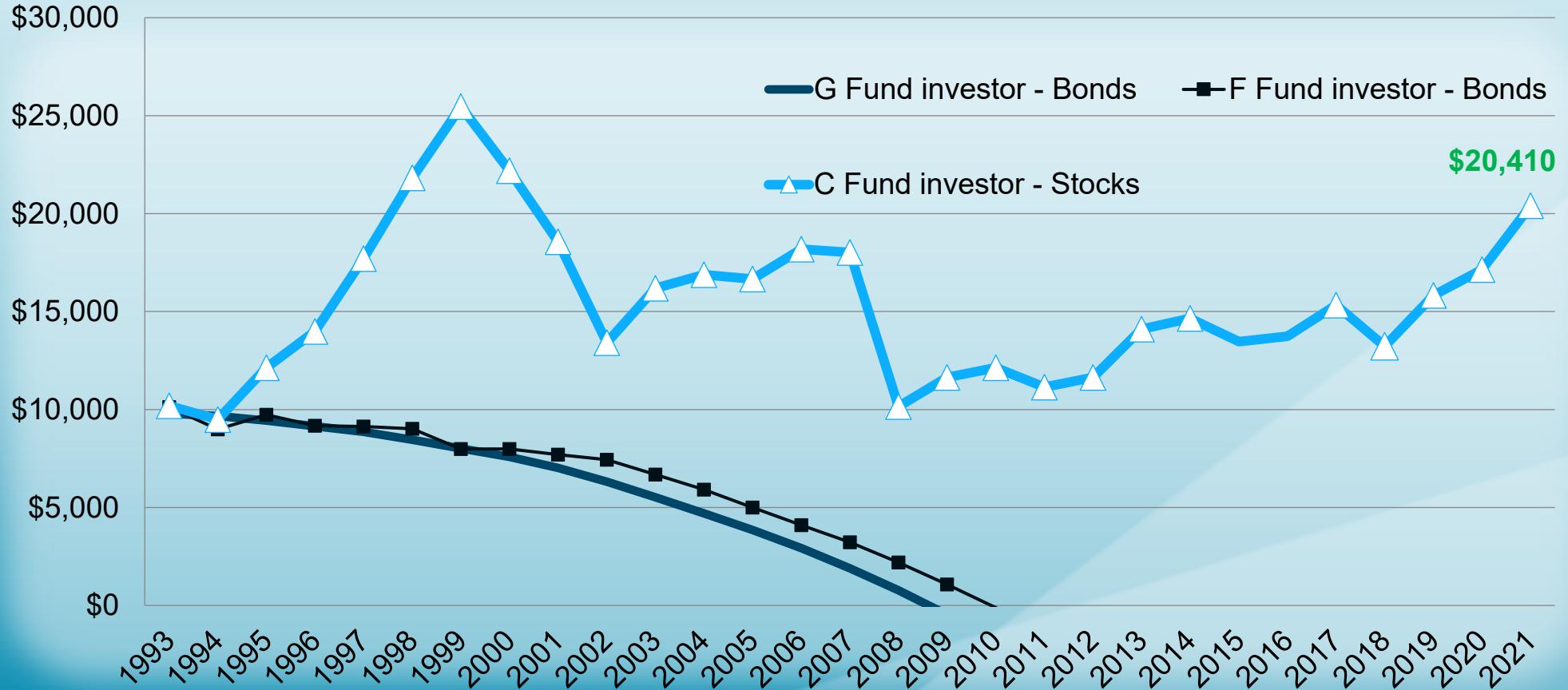
Lifecycle Fund	Stocks	Bonds
L-2050	84%	16%
L-2030	64%	36%
L-Income	25%	75%

Loss of Purchasing Power: What Happens When You Start Spending?

Example:

At the beginning of 1993, retirees Bill, Jack and Mary each have \$10,000 in the TSP. They each invest in one fund: Bill in G, Jack in F and Mary in C.

They annually withdraw enough to buy 2000 first class stamps (after paying taxes of 30%).



Note: This is for illustration purposes only. Past performance is no guarantee of future performance.

All investments involve the risk of loss. The data assumes reinvestment of all income.

Problem: Sequence of Return Risk

COMPARE

1973 - 1991

1991 - 1973

Year	BOY Balance	Return	Withdrawal	EOY Balance
1973	\$1,000,000	-14.67%	\$79,713	\$785,281
1974	\$785,281	-26.31%	\$79,713	\$519,934
1975	\$519,934	37.14%	\$79,713	\$603,719
1976	\$603,719	23.81%	\$79,713	\$648,772
1977	\$648,772	- 7.19%	\$79,713	\$528,144
1978	\$528,144	6.52%	\$79,713	\$477,670
1979	\$477,670	18.45%	\$79,713	\$471,380
1980	\$471,380	32.45%	\$79,713	\$518,764
1981	\$518,764	- 4.88%	\$79,713	\$417,625
1982	\$417,625	21.50%	\$79,713	\$410,564

Year	BOY Balance	Return	Withdrawal	EOY Balance
1983	\$410,564	22.46%	\$79,713	\$405,161
1984	\$405,161	6.22%	\$79,713	\$345,691
1985	\$345,691	31.64%	\$79,713	\$350,134
1986	\$350,134	18.62%	\$79,713	\$320,774
1987	\$320,774	5.18%	\$79,713	\$253,548
1988	\$253,548	16.61%	\$79,713	\$202,710
1989	\$202,710	31.69%	\$79,713	\$161,975
1990	\$161,975	-3.10%	\$79,713	\$79,713
1991	\$79,713	30.47%	\$79,713	\$ 0
19 Yrs.	Average ROR	12.98%	\$1,514,547	DEPLETED

Courtesy of Leap Systems

Figure 2: Forward running return sequence of \$1,000,000 – S&P 500 portfolio with annual withdrawals of \$79,713
Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

Problem: Sequence of Return Risk

Year	BOY Balance	Return	Withdrawal	EOY Balance
1991	\$1,000,000	30.47%	\$79,713	\$1,200,698
1990	\$1,200,698	-3.10%	\$79,713	\$1,086,235
1989	\$1,086,235	31.69%	\$79,713	\$1,325,489
1988	\$1,325,489	16.61%	\$79,713	\$1,452,699
1987	\$1,452,699	5.18%	\$79,713	\$1,444,107
1986	\$1,444,107	18.62%	\$79,713	\$1,618,444
1985	\$1,618,444	31.84%	\$79,713	\$2,028,663
1984	\$2,028,663	6.22%	\$79,713	\$2,070,174
1983	\$2,070,174	22.46%	\$79,713	\$2,437,519
1982	\$2,437,519	21.50%	\$79,713	\$2,864,734

Year	BOY Balance	Return	Withdrawal	EOY Balance
1981	\$2,864,734	-4.88%	\$79,713	\$2,649,112
1980	\$2,649,112	32.45%	\$79,713	\$3,403,169
1979	\$3,403,169	18.45%	\$79,713	\$3,939,634
1978	\$3,939,634	6.52%	\$79,713	\$4,108,392
1977	\$4,108,392	-7.19%	\$79,713	\$3,739,017
1976	\$3,739,017	23.81%	\$79,713	\$4,530,585
1975	\$4,530,585	37.14%	\$79,713	\$6,103,925
1974	\$6,103,925	-26.31%	\$79,713	\$4,439,925
1973	\$4,439,925	-14.67%	\$79,713	\$3,719,986
19 Yrs. Average ROR	12.98%	\$1,514,547	\$3,719,986	

COMPARE

1973 - 1991

1991 - 1973

Courtesy of Leap Systems

Figure 3: Backward running return sequence of \$1,000,000 - S&P 500 portfolio with annual withdrawals of \$79,713
Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

Solution: Sequence Defense

Year	BOY Balance	Return	Withdrawal	EOY Balance
1973	\$1,000,000	-14.67%	\$79,713	\$ 785,281
1974	\$ 785,281	-26.31%	\$ 0	\$ 578,673
1975	\$ 578,673	37.14%	\$ 0	\$ 793,593
1976	\$ 793,593	23.81%	\$79,713	\$ 883,855
1977	\$ 883,855	-7.19%	\$79,713	\$ 746,324
1978	\$ 746,324	6.52%	\$ 0	\$ 794,984
1979	\$ 794,984	18.45%	\$79,713	\$ 847,239
1980	\$ 847,239	32.45%	\$79,713	\$1,016,588
1981	\$1,016,588	-4.88%	\$79,713	\$ 891,155
1982	\$ 891,155	21.50%	\$ 0	\$1,082,754

Year	BOY Balance	Return	Withdrawal	EOY Balance
1983	\$1,082,754	22.46%	\$79,713	\$1,228,324
1984	\$1,228,324	6.22%	\$79,713	\$1,220,054
1985	\$1,220,054	31.64%	\$79,713	\$1,501,145
1986	\$1,501,145	18.62%	\$79,713	\$1,686,103
1987	\$1,686,103	5.18%	\$79,713	\$1,689,601
1988	\$1,689,601	16.61%	\$79,713	\$1,877,290
1989	\$1,877,290	31.69%	\$79,713	\$2,367,229
1990	\$2,367,229	-3.10%	\$79,713	\$2,126,603
1991	\$2,126,603	30.47%	\$ 0	\$2,892,002
19 Yrs.	Average ROR	12.98%	\$1,115,982	\$2,892,002

COMPARE

NO DEFENSE

WITH DEFENSE



Courtesy of Leap Systems

\$398,565 funded from Sequence Defense Resources. Total withdrawal of \$1,514,547.

Figure 6: Same sequence with withdrawals from portfolio in green. Sequence Defense employed following down year. Other starting years, rate of return sequences, market indexes, and life horizons will produce different results.

Example: What if You Had to take Distributions in 2022 ?

G Fund	F Fund	C Fund	S Fund	I Fund
2.98%	-12.83%	-18.13%	-26.26%	-13.94%



C	S	I	F	G	
\$100,000	\$100,000	\$50,000	\$125,000	\$125,000	\$0
4%	4%	4%	4%	4%	0%
\$4,000	\$4,000	\$2,000	\$5,000	\$5,000	\$0

Which RMD to use?

Age	Individuals impacted	Effective Year
Age 72 (or 70 1/2)	Born 1950 or earlier	-
Age 73	Born 1951 – 1959	2023
Age 75	Born 1960 or later	2033

RMDs Increase...

Effect of RMDs

Assumes 5% annual return and starting value of \$500,000

AGE 73...75



NOTE:

The age for withdrawing from retirement accounts was increased in 2020 to 72 from 70.5. (Note that the SECURE 2.0 Act will raise the age for RMDs to 73 for those who turn 72 in 2023.) Therefore, your first RMD must be taken by April 1 of the year after which you turn 72 (73 in 2023). After that your RMDs must be taken by December 31 of each year.

Traditional & ROTH TSP



The Treatment of...	Traditional TSP	Roth TSP
Contributions	<i>Pre-tax</i>	<i>After-tax</i> ¹
Your Paycheck	<i>Taxes are deferred</i> [*] , so less money is taken out of your paycheck.	<i>Taxes are paid up front</i> [*] , so more money comes out of your paycheck.
Transfers In	<i>Transfers</i> allowed from eligible employer plans and traditional IRAs	<i>Transfers</i> allowed from Roth 401(k)s, Roth 403(b)s, and Roth 457(b)s
Transfers Out	<i>Transfers</i> allowed to eligible employer plans, traditional IRAs, and Roth IRAs ²	<i>Transfers</i> allowed to Roth 401(k)s, Roth 403(b)s, Roth 457(b)s, and Roth IRAs ³
Withdrawals	<i>Taxable</i> when withdrawn	<i>Tax-free</i> earnings if five years have passed since January 1 of the year you made your first Roth contribution, AND you are age 59½ or older, permanently disabled, or deceased

STEP #4: Understanding Your Tax Picture

Will you
be in a



Lower

Same

Higher

TAX BRACKET
when you retire?

A Traditional TSP

Years ---> 1 -- 20

\$18,000 @ 5% ROR → 401(k)



Accumulated: **\$624,947**
X 4% W/D

\$24,997
(taxes, Fed 25% + State 6%) -\$7,749

\$17,248.00

B Roth/Roth TSP

Years ---> 1 -- 20

\$18,000 x 25% Fed + 6% State =
\$12,420 @ 5% ROR → Roth



Accumulated: **\$431,213**
X 4% W/D

\$17,248.00

ROTH Or Traditional TSP...

You Retire in the Same Tax Bracket that
You Were Working In

Pros Roth

- Rule out Government Legislative Risk
- NO RMDS!
- Transfers to heirs tax-free
- Tax-Free Withdrawals

Pros Traditional

- Geography plan
- Defer State Tax – If you moved to a state with NO state tax, it could be a tax savings on distributions.

Target Retirement Income

Gross Income - Sue	\$107,000
Gross Income - Bill	\$0
Total Gross Income	\$107,000
Less	
TSP/401(k)	\$24,500
IRA	\$6,500
Social Security	\$6,634
IRA	\$6,500
Mortgage	\$0
College	\$0
Credit Cards	\$0
Debts	\$0
Tax Equivalent	\$0
Non/Qualified IRA	\$0
Roth	\$0
Total Payments	\$44,134
Target Retirement Income	\$62,866

Present Position Financial Model

PRESENT

Income \$0

0	2,360	0
---	-------	---

Additional Information

Sue 61-62-

Bill 61-62

Retirement Income Projections

Sue	COLA	0%	Pension	\$0
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	0%	0%	401k & IRA	\$0
			TOTAL	\$0

Bill	COLA	0%	Pension	\$0
	WD	0%	Social Security	\$0
	0%	0%	Tax Deferred	\$0
	0%	0%	Roth	\$0
	0%	0%	IRA	\$0
	TOTAL			\$0

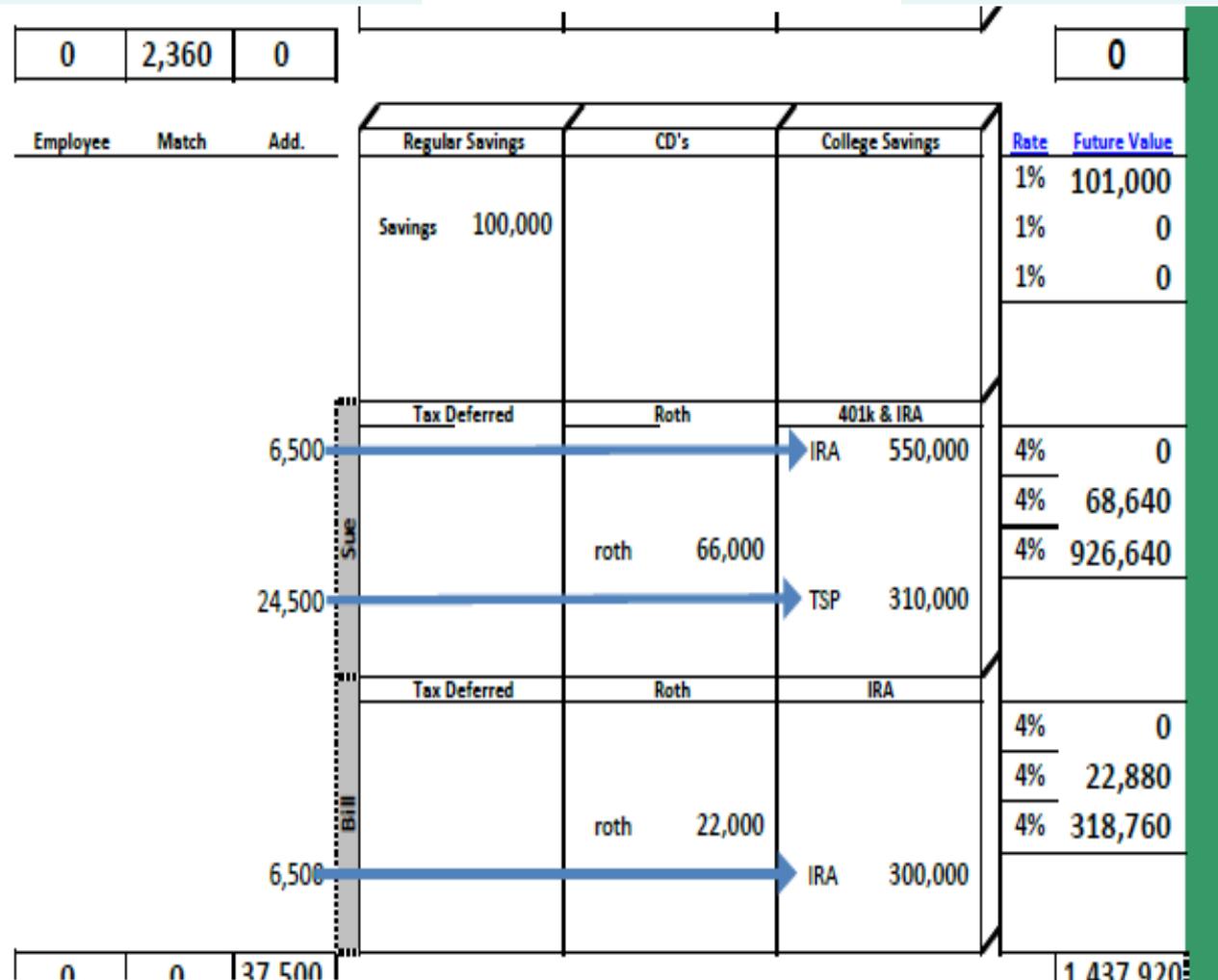
W/D Rate from Cash Assets

www.english-test.net

100% of the time, the system is in a state of equilibrium.

Total Income above # 1 =

Total Income at year # 1 =



Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
		25,000	5%	0
			5%	0
			5%	26,250

What is Your Tax Bracket?

Your Line 15: \$183,000 ~ So, what marginal rate are you in now?

How many of you think you will be in a lower tax bracket when you retire?

Tax Bracket 2025

Tax Rate	For Single Filers	For Married Individuals Filing Joint Returns	For Heads of Households
10%	\$0 to \$11,925	\$0 to \$23,850	\$0 to \$17,000
12%	\$11,925 to \$48,475	\$23,850 to \$96,950	\$17,000 to \$64,850
22%	\$48,475 to \$103,350	\$96,950 to \$206,700	\$64,850 to \$103,350
24%	\$103,350 to \$197,300	\$206,700 to \$394,600	\$103,350 to \$197,300
32%	\$197,300 to \$250,525	\$394,600 to \$501,050	\$197,300 to \$250,500
35%	\$250,525 to \$626,350	\$501,050 to \$751,600	\$250,500 to \$626,350
37%	\$626,350 or more	\$751,600 or more	\$626,350 or more

IRS Form 1040

Taxable Income

Form 1040 (2025)

Tax and Credits	11b Amount from line 11a (adjusted gross income)	11b
Standard deduction for—	12a Someone can claim <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent b <input type="checkbox"/> Spouse itemizes on a separate return <input type="checkbox"/> You were a dual-status alien d You: <input type="checkbox"/> Were born before January 2, 1961 <input type="checkbox"/> Are blind Spouse: <input type="checkbox"/> Was born before January 2, 1961 <input type="checkbox"/> Is blind e Standard deduction or itemized deductions (from Schedule A)	12e
• Single or Married filing separately, \$15,750	13a Qualified business income deduction from Form 8995 or Form 8995-A b Additional deductions from Schedule 1-A, line 38	13a 13b
• Married filing jointly or Qualifying surviving spouse, \$31,500	14 Add lines 12e, 13a, and 13b	14
• Head of household, \$23,625	15 Subtract line 14 from line 11b. If zero or less, enter -0-. This is your taxable income	15
• If you checked a box on line 12a, 12b, 12c, or 12d, see inst.	16 Tax (see instructions). Check if any from Form(s): 1 <input type="checkbox"/> 8814 2 <input type="checkbox"/> 4972 3 <input type="checkbox"/> 17 Amount from Schedule 2, line 3 18 Add lines 16 and 17 19 Child tax credit or credit for other dependents from Schedule 8812 20 Amount from Schedule 3, line 8 21 Add lines 19 and 20 22 Subtract line 21 from line 18. If zero or less, enter -0- 23 Other taxes, including self-employment tax, from Schedule 2, line 21 24 Add lines 22 and 23. This is your total tax	16 17 18 19 20 21 22 23 24

Form 1040 Department of the Treasury—Internal Revenue Service 2025 OMB No. 1545-0074 IRS Use Only—Do not write or staple in this space.

For the year Jan. 1-Dec. 31, 2025, or other tax year beginning , 2025, ending , 20 See separate instructions.

Filed pursuant to section 301.9100-2 Combat zone Deceased MM / DD / YYYY Spouse MM / DD / YYYY
 Other

Your first name and middle initial Last name Your social security number

If joint return, spouse's first name and middle initial Last name Spouse's social security number

Home address (number and street). If you have a P.O. box, see instructions. Apt. no. Check here if your main home, and your spouse's if filing a joint return, was in the U.S. for more than half of 2025.

City, town, or post office. If you have a foreign address, also complete spaces below. State ZIP code Presidential Election Campaign Check here if you, or your spouse if filing jointly, want \$3 to go to this fund. Checking a box below will not change your tax or refund.

Foreign country name Foreign province/state/county Foreign postal code You Spouse

Filing Status Single Head of household (HOH)
Check only one box. Married filing jointly (even if only one had income) Qualifying surviving spouse (QSS)
 Married filing separately (MFS). Enter spouse's SSN above and full name here: If you checked the HOH or QSS box, enter the child's name if the qualifying person is a child but not your dependent.

If treating a nonresident alien or dual-status alien spouse as a U.S. resident for the entire tax year, check the box and enter their name (see instructions and attach statement if required).

Digital Assets At any time during 2025, did you: (a) receive (as a reward, award, or payment for property or services); or (b) sell, exchange, or otherwise dispose of a digital asset (or a financial interest in a digital asset)? (See instructions.) Yes No

Dependents (see instructions) Dependent 1 Dependent 2 Dependent 3 Dependent 4

If more than four dependents, see instructions and check here

(1) First name (2) Last name (3) SSN (4) Relationship
(5) Check if lived with you more than half of 2025 (a) Yes Yes (b) And in the U.S. And in the U.S. And in the U.S. And in the U.S.
(6) Check if (a) Full-time student Permanently and totally disabled
(7) Credits Child tax credit Credit for other dependents Child tax credit Credit for other dependents Child tax credit Credit for other dependents Child tax credit Credit for other dependents

Check if your filing status is MFS or HOH and you lived apart from your spouse for the last 6 months of 2025, or you are legally separated according to your state law under a written separation agreement or a decree of separate maintenance and you did not live in the same household as your spouse at the end of 2025.

Income 1a Total amount from Form(s) W-2, box 1 (see instructions) 1a
Attach Form(s) W-2 here. Also attach Forms W-2 and 1099-R if tax was withheld. If you did not get a Form W-2, see instructions.
b Household employee wages not reported on Form(s) W-2 1b
c Tip income not reported on line 1a (see instructions) 1c
d Medicaid waiver payments not reported on Form(s) W-2 (see instructions) 1d
e Taxable dependent care benefits from Form 2441, line 26 1e
f Employer-provided adoption benefits from Form 8839, line 31 1f
g Wages from Form 8919, line 6 1g
h Other earned income (see instructions). Enter type and amount: 1h
i Nontaxable combat pay election (see instructions) 1i
z Add lines 1a through 1h 1z
2a Tax-exempt interest 2a
Attach Sch. B if required. 2b Taxable interest
3a Qualified dividends 3a
b Ordinary dividends
c Check if your child's dividends are included in 1 Line 3a Line 3b
4a IRA distributions 4a
c Check if (see instructions) 1 Rollover QCD
5a Pensions and annuities 5a
c Check if (see instructions) 1 Rollover PSO
6a Social security benefits 6a
c If you elect to use the lump-sum election method, check here (see instructions)
d If you are married filing separately and lived apart from your spouse the entire year (see inst.), check here
7a Capital gain or (loss). Attach Schedule D if required 7a
b Check if: Schedule D not required Includes child's capital gain or (loss)
8 Additional income from Schedule 1, line 10 8
9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7a, and 8. This is your total income 9
10 Adjustments to income from Schedule 1, line 26 10
11a Subtract line 10 from line 9. This is your adjusted gross income 11a

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 11320B Form 1040 (2025) Created 9/5/25

Retirement Tab on Financial Model

SUE RETIRE

RMD and Social Security Tab on Financial Model

RMD & SS

Retirement Income Projections

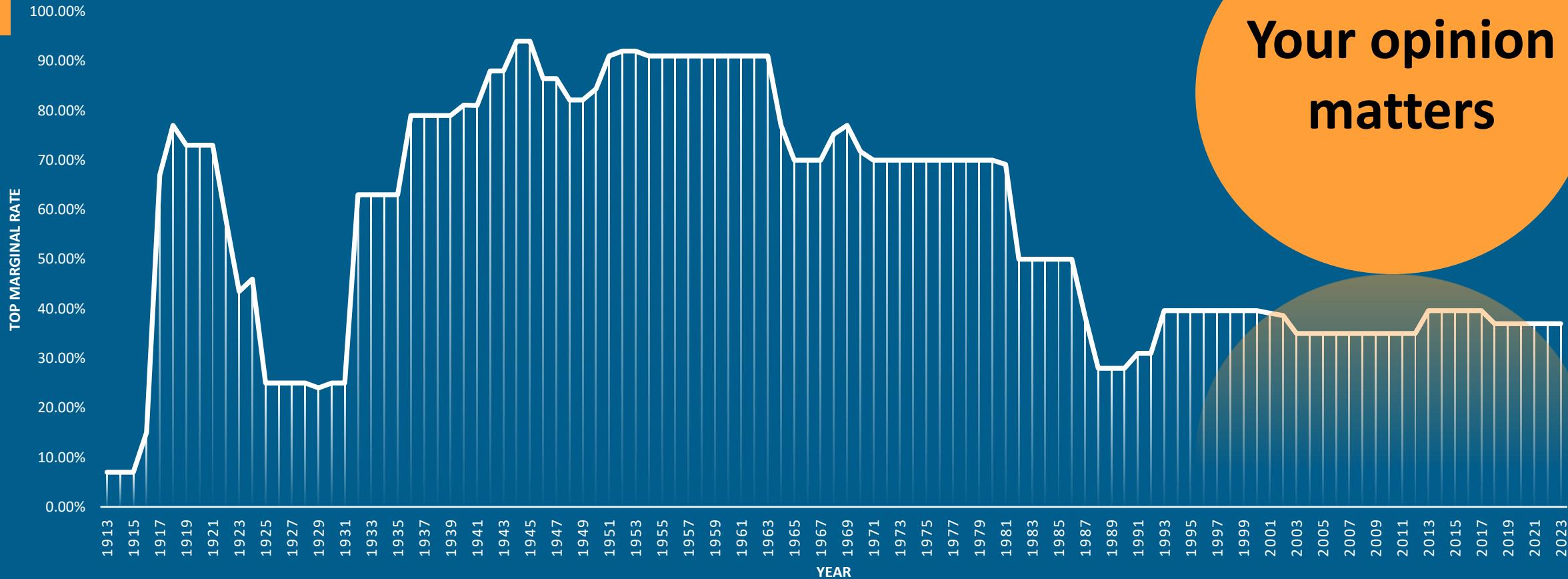
	COLA	WD	Pension	Social Security	Tax Deferred	Roth	401k & IRA
Sue	0%	0%	\$18,836	\$32,000	\$0	\$0	\$38,650
	TOTAL \$89,486						
	0%	0%	\$0	\$32,000	\$0	\$0	\$0
	0%	0%	\$0	\$32,000	\$0	\$0	\$0
	4%	0%	\$0	\$0	\$0	\$0	\$12,562
TOTAL \$44,562							
0% W/D Rate from Cash Assets \$0							
\$0							
Total Income at year # 30 = \$134,049							
0.0% Target Retirement Income \$62,866							

Savings Type Assets

Employee	Match	Add.	0	0	0	0
Additional Information						
Sue 70-100						
Bill 70-100						
Regular Savings			CD's		College Savings	
Savings 109,369						
Tax Deferred			Roth		401k & IRA	
			IRA 603,504		TSP 362,753	
			roth 93,939			
Tax Deferred			Roth		IRA	
			IRA 314,061		TSP 314,061	
			roth 31,313			
Savings Type Assets Total 1,719,080						0
Government Bonds			Corporate Bonds		BoA Trust	
					38,783	
Rate 5%			Future Value 0			
Rate 5%			Future Value 0			
Rate 5%			Future Value 0			

WHERE do you think taxes will be in your future?

HISTORICAL HIGHEST MARGINAL INCOME TAX RATES



Your opinion
matters

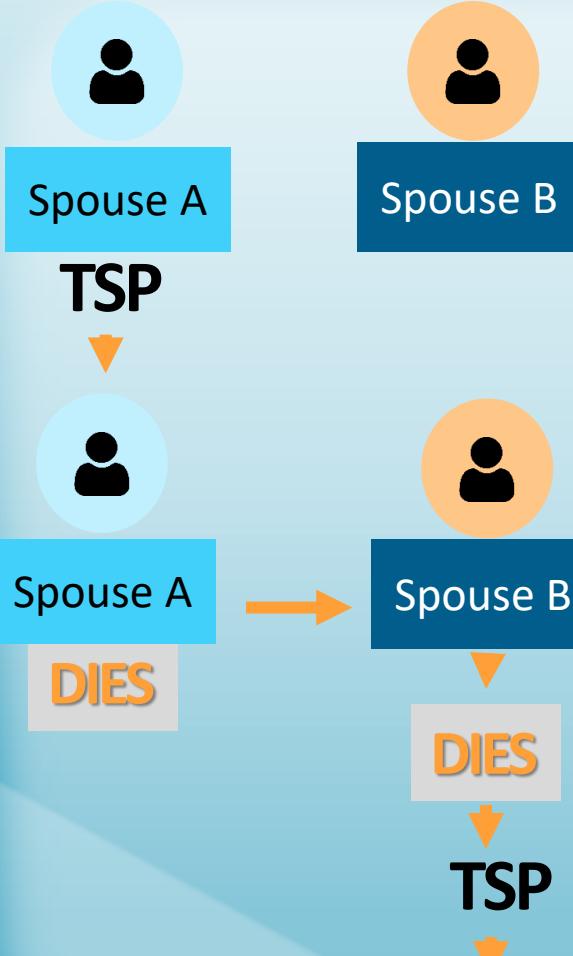
- The data referenced in this chart we created is from the Tax Policy Center: <https://taxpolicycenter.org/statistics/historical-highest-marginal-income-tax-rates>
- This table contains a number of simplifications and ignores a number of factors, such as the amount of income or types of income subject to the top rates, or the value of standard and itemized deductions. **Sources:** IRS Revenue Procedures, various years. Also, Eugene Steuerle, The Urban Institute; Joseph Pechman, *Federal Tax Policy*; Joint Committee on Taxation, Summary of Conference Agreement on the Jobs and Growth Tax Relief Reconciliation Act of 2003, JCX-54-03, May 22, 2003.

Stretch IRA is Back

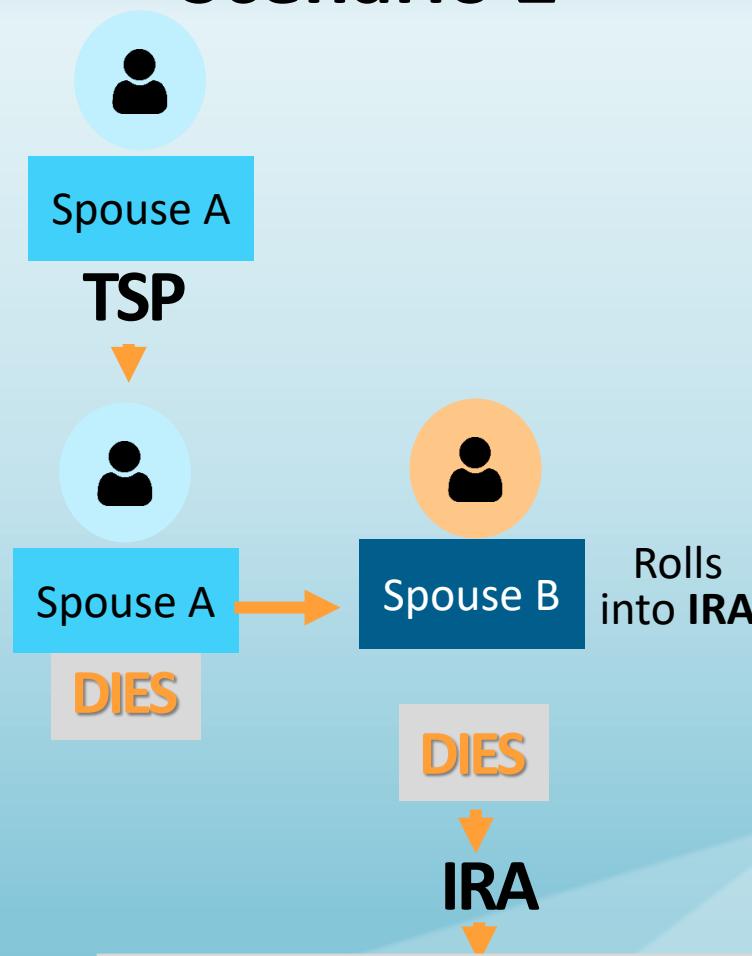
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Secure Act 2.0

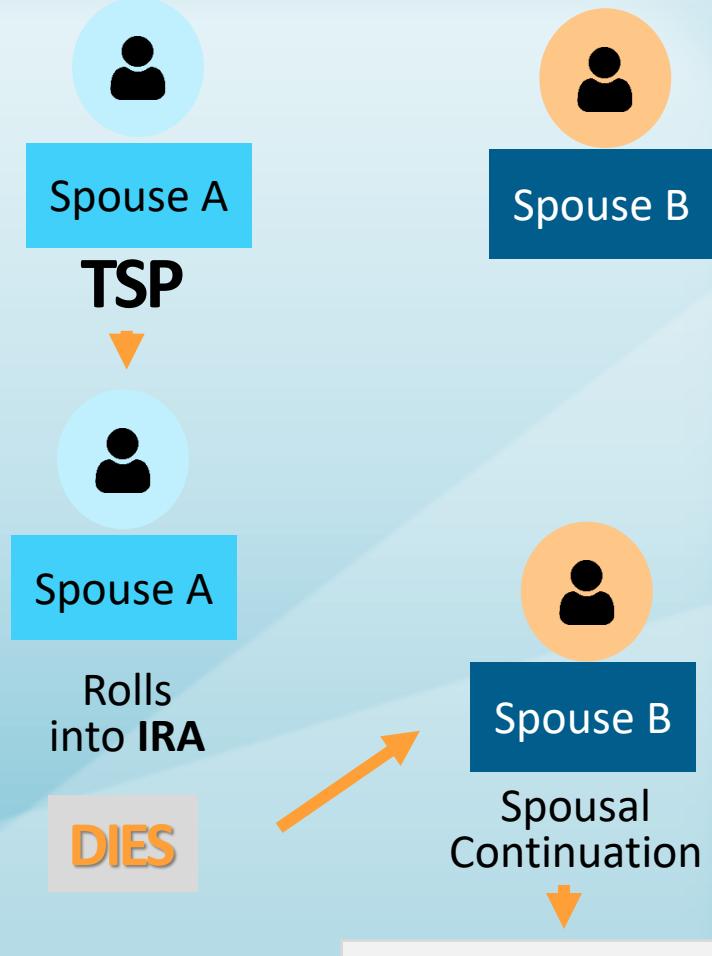
Scenario 1

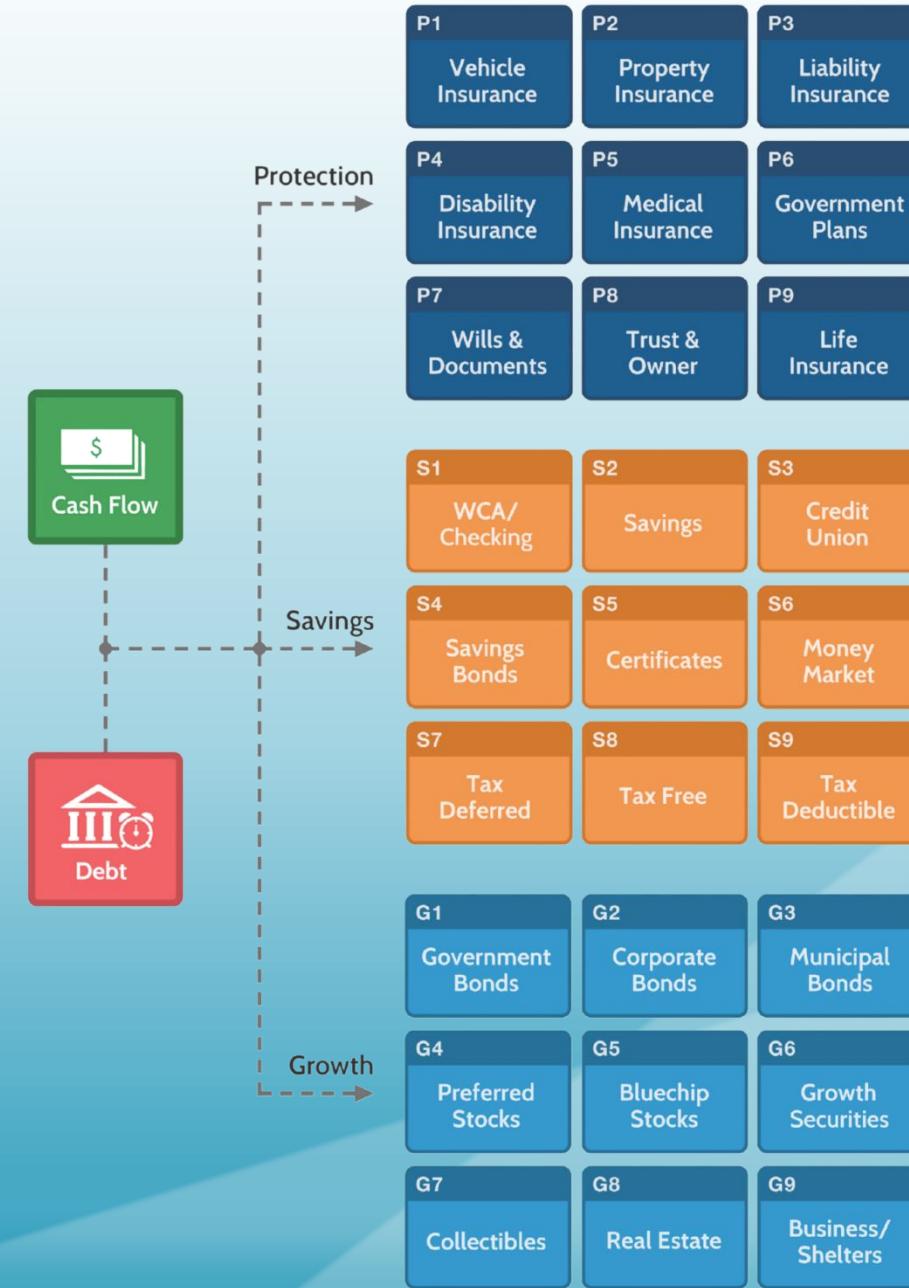


Scenario 2



Scenario 3







Thank you for your time today. Kindly fill out our feedback survey:
<https://www.surveymonkey.com/r/DCSOFASURVEY>



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