



THE SOCIETY FOR FINANCIAL AWARENESS  
DC Metropolitan Chapter [www.dcsdfa.org](http://www.dcsdfa.org)

# SOCIAL SECURITY & TAXES IN RETIREMENT



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# The Desire

We all desire a financial life that performs to its full potential.

Ideally, this financial life should contain:

- Long term wealth
- Retirement income
- Minimized taxes
- Lasting legacy
- Reduced cost and risk

And, along the way, we seek to keep it organized, flexible, and easy to control.



# Financial Decisions

The manner in which we make these decisions presents a real challenge.

We make them:

- One at a time
- At different times
- With different people
- Under different circumstances

We tend to avoid revisiting those decisions, making things worse over time. That causes us to have what we call a "financial junk drawer."



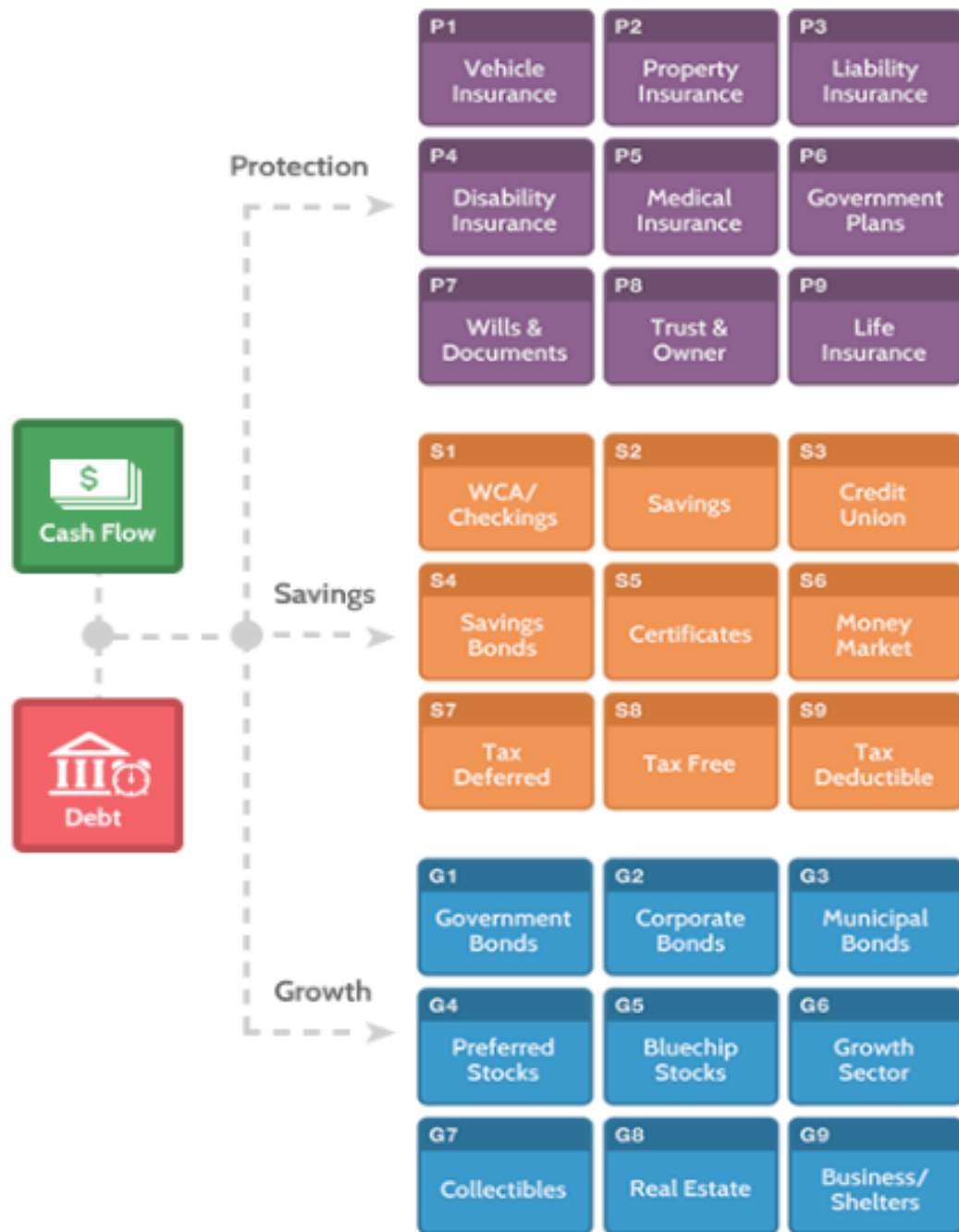
# Junk Drawer

Having a "financial junk drawer" undermines our chances for financial success.

The Junk Drawer characteristics:

- Disorganized
- Uncoordinated
- Non-integrated
- Inefficient
- Ineffective
- Hard to manage





# WHAT IS YOUR Financial Anatomy?



# Review: The basics of your Financial Anatomy

1. TRI: Target Retirement Income: Identify the amount of money you are living on today

2. Retirement Income Projection helps us understand if you have

GAP:

SAME:

Surplus

Knowing what category, you fall into helps you make better decisions about long term strategies.

3. Tax Position

- Are you in a Lower, Same, or Higher income tax bracket when you retire.
- Line 15 of your tax return>Current Tax Bracket>Compare your TRI to the Marginal Tax Table
  - The significance of understanding this part of your plan helps you make better decisions on:
    - Roth Vs Traditional TSP/401(k)
    - Roth Conversions

# Step #1: Understanding Your Target Retirement Income

Gross Income -	\$107,0000
Gross Income -	
<b>TOTAL Gross Income</b>	\$107,000
<b>Less:</b>	
TSP/401k	\$24,500
IRA	\$6,500
Social Security	\$6,634
Savings	
Mortgage	
College	
Credit Cards	
Debts	\$6,500
Tax Equivalent	
Non/Qualified IRA	
Roth	
<b>Total Payments</b>	<b>\$44,134</b>
<b>TARGET RETIREMENT INCOME:</b>	<b>\$ 62,866</b>



# Step #2: Quantify Your Retirement Income Projection

Retirement Income Projections			
		Pension	\$25,000
		Social Security	\$25,000
	0% W/D	Tax Deferred Annuities	\$0
	0% W/D	Tax Free	\$0
	2.5% W/D	TSP/401(k) \$500,000	\$12,500
		TOTAL	\$0
		Pension	\$0
		Social Security	\$0
	3% W/D	Tax Deferred	\$0
	3% W/D	Tax Free	\$0
	0% W/D	TSP/401(k)	\$0
		TOTAL	\$0
		W/D Rate from Cash Assets	\$0
		Total Income at year #2 =	\$62,500

## The Three-legged Retirement Income Stool:

- Social Security
- Traditional employer pension
- Individual savings & investments

# Step #3: Compare and Analyze

Putting it all together – where do you stand?:  
**GAP** (Less money in retirement than what your living on today), **SAME**, or **SURPLUS**  
 (More income in retirement than you are living on today)

Gross Income -	<b>\$107,000</b>
Gross Income -	
<b>TOTAL Gross Income</b>	\$107,000
Less:	
TSP/401(k)	<b>\$24,500</b>
TSP/401(k)	<b>\$6,500</b>
Social Security	<b>\$6,634</b>
Savings	
Mortgage	
College	
Credit Cards	
Debts	<b>\$6,500</b>
Tax Equivalent	
Non/Qualified IRS	
Roth	
<b>Total Payments</b>	<b>\$44,134</b>
<b>TARGET RETIREMENT INCOME:</b>	<b>\$ 62,866</b>

		Pension	\$25,000
		Social Security	\$25,000
	0% W/D	Tax Deferred Annuities	\$0
	0% W/D	Tax Free	\$0
	4% W/D	TSP/401(k)	\$12,500
		TOTAL	\$0
		Pension	\$0
		Social Security	\$0
	3% W/D	Tax Deferred	\$0
	3% W/D	Tax Free	\$0
	0% W/D	TSP/401(k)	\$0
		TOTAL	\$0
		W/D Rate from Cash Assets	\$0
		Total Income at year #2 =	\$62,500

## **STEP #4: Understanding Your Tax Picture**

**Will you be in a Lower, Same, or Higher TAX BRACKET when you retire?**

For the year Jan. 1–Dec. 31, 2023, or other tax year beginning \_\_\_\_\_, 2023, ending \_\_\_\_\_, 20

See separate instructions.

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. \_\_\_\_\_

City, town, or post office. If you have a foreign address, also complete spaces below. \_\_\_\_\_ State \_\_\_\_\_ ZIP code \_\_\_\_\_

Foreign country name \_\_\_\_\_ Foreign province/state/country \_\_\_\_\_ Foreign postal 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.  
 You  Spouse

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

**Digital Assets** At any time during 2023, 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

**Standard Deduction** **Someone can claim:**  You as a dependent  Your spouse as a dependent  
 Spouse itemizes on a separate return or you were a dual-status alien

**Age/Blindness** You:  Were born before January 2, 1959  Are blind **Spouse:**  Was born before January 2, 1959  Is blind

**Dependents** (see instructions):

(1) First name	Last name	(2) Social security number	(3) Relationship to you	(4) Check the box if qualifies for (see instructions): Child tax credit	Credit for other dependents
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>
				<input type="checkbox"/>	<input type="checkbox"/>

If more than four dependents, see instructions and check here

**Income**

<b>1a</b> Total amount from Form(s) W-2, box 1 (see instructions)		<b>1a</b>
<b>b</b> Household employee wages not reported on Form(s) W-2		<b>1b</b>
<b>c</b> Tip income not reported on line 1a (see instructions)		<b>1c</b>
<b>d</b> Medicaid waiver payments not reported on Form(s) W-2 (see instructions)		<b>1d</b>
<b>e</b> Taxable dependent care benefits from Form 2441, line 26		<b>1e</b>
<b>f</b> Employer-provided adoption benefits from Form 8839, line 29		<b>1f</b>
<b>g</b> Wages from Form 8919, line 6		<b>1g</b>
<b>h</b> Other earned income (see instructions)		<b>1h</b>
<b>i</b> Nontaxable combat pay election (see instructions)	<b>1i</b>	
<b>z</b> Add lines 1a through 1h		<b>1z</b>
<b>2a</b> Tax-exempt interest	<b>2a</b>	<b>b</b> Taxable interest
<b>3a</b> Qualified dividends	<b>3a</b>	<b>b</b> Ordinary dividends
<b>4a</b> IRA distributions	<b>4a</b>	<b>b</b> Taxable amount
<b>5a</b> Pensions and annuities	<b>5a</b>	<b>b</b> Taxable amount
<b>6a</b> Social security benefits	<b>6a</b>	<b>b</b> Taxable amount
<b>c</b> If you elect to use the lump-sum election method, check here (see instructions)	<input type="checkbox"/>	
<b>7</b> Capital gain or (loss). Attach Schedule D if required. If not required, check here	<input type="checkbox"/>	<b>7</b>
<b>8</b> Additional income from Schedule 1, line 10		<b>8</b>
<b>9</b> Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your <b>total income</b>		<b>9</b>
<b>10</b> Adjustments to income from Schedule 1, line 26		<b>10</b>
<b>11</b> Subtract line 10 from line 9. This is your <b>adjusted gross income</b>		<b>11</b>
<b>12</b> Standard deduction or itemized deductions (from Schedule A)		<b>12</b>
<b>13</b> Qualified business income deduction from Form 8995 or Form 8995-A		<b>13</b>
<b>15</b> Subtract line 14 from line 11. If zero or less, enter -0-. This is your <b>taxable income</b>		<b>15</b>

**Taxable Income**

Attach Sch. B if required.

**Standard Deduction for—**

- Single or Married filing separately, \$13,850
- Married filing jointly or Qualifying surviving spouse, \$27,700
- Head of household, \$13,850

Check the box under and deduct see instructions.

**See what marginal tax bracket you fall into: 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 brackets 2023

<b>Tax Rate</b>	<b>Single</b>	<b>Married filing jointly</b>	<b>Married filing separately</b>	<b>Head of household</b>
10%	\$0 to \$11,000.	\$0 to \$22,000.	\$0 to \$11,000.	\$0 to \$15,700.
12%	\$11,001 to \$44,725.	\$22,001 to \$89,450.	\$11,001 to \$44,725.	\$15,701 to \$59,850.
22%	\$44,726 to \$95,375.	\$89,451 to \$190,750.	\$44,726 to \$95,375.	\$59,851 to \$95,350.
24%	\$95,376 to \$182,100.	\$190,751 to \$364,200.	\$95,376 to \$182,100.	\$95,351 to \$182,100.
32%	\$182,101 to \$231,250.	\$364,201 to \$462,500.	\$182,101 to \$231,250.	\$182,101 to \$231,250.
35%	\$231,251 to \$578,125.	\$462,501 to \$693,750.	\$231,251 to \$346,875.	\$231,251 to \$578,100.
37%	\$578,126 or more.	\$693,751 or more.	\$346,876 or more.	\$578,101 or more.

# Step #3: Compare and Analyze

Putting it all together – where do you stand?:  
**GAP** (Less money in retirement than what your living on today), **SAME**, or **SURPLUS**  
 (More income in retirement than you are living on today)

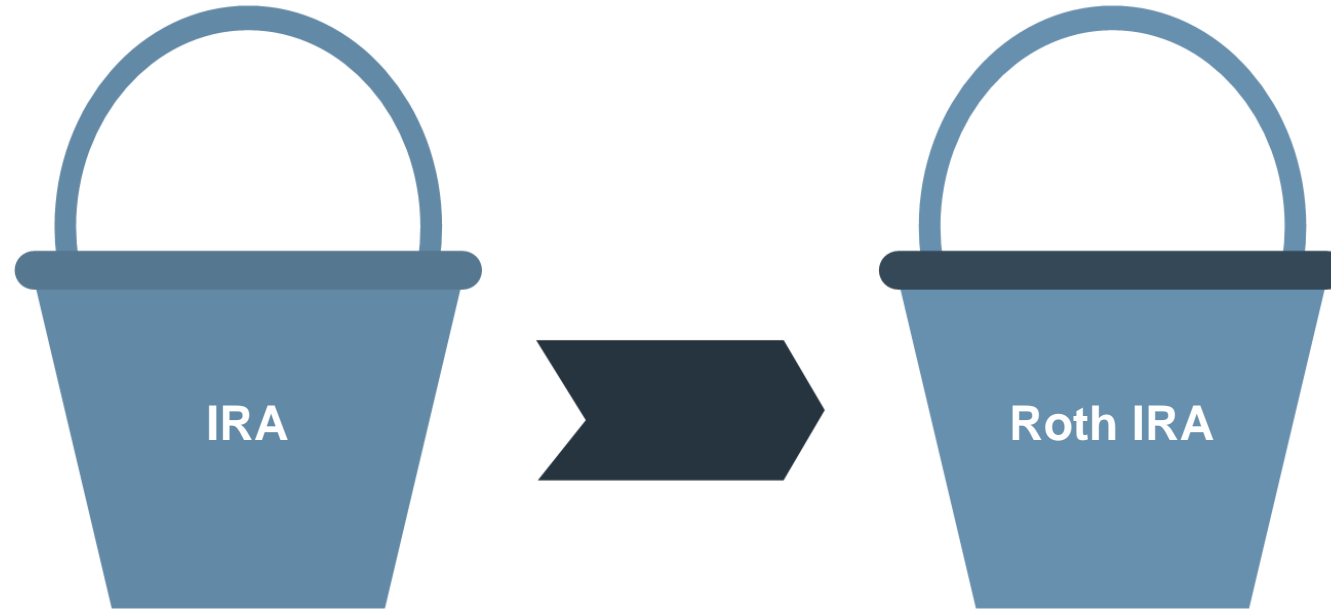
Gross Income -	<b>\$107,000</b>
Gross Income -	
<b>TOTAL Gross Income</b>	\$107,000
Less:	
TSP/401(k)	<b>\$24,500</b>
TSP/401(k)	<b>\$6,500</b>
Social Security	<b>\$6,634</b>
Savings	
Mortgage	
College	
Credit Cards	
Debts	<b>\$6,500</b>
Tax Equivalent	
Non/Qualified IRS	
Roth	
<b>Total Payments</b>	<b>\$44,134</b>
<b>TARGET RETIREMENT INCOME:</b>	<b>\$ 62,866</b>

		Pension	\$25,000
		Social Security	\$25,000
	0% W/D	Tax Deferred Annuities	\$0
	0% W/D	Tax Free	\$0
	4% W/D	TSP/401(k)	\$12,500
		<b>TOTAL</b>	<b>\$0</b>
		Pension	\$0
		Social Security	\$0
	3% W/D	Tax Deferred	\$0
	3% W/D	Tax Free	\$0
	0% W/D	TSP/401(k)	\$0
		<b>TOTAL</b>	<b>\$0</b>
		W/D Rate from Cash Assets	\$0
		Total Income at year #2 =	<b>\$62,500</b>

# ROTH SOLUTIONS

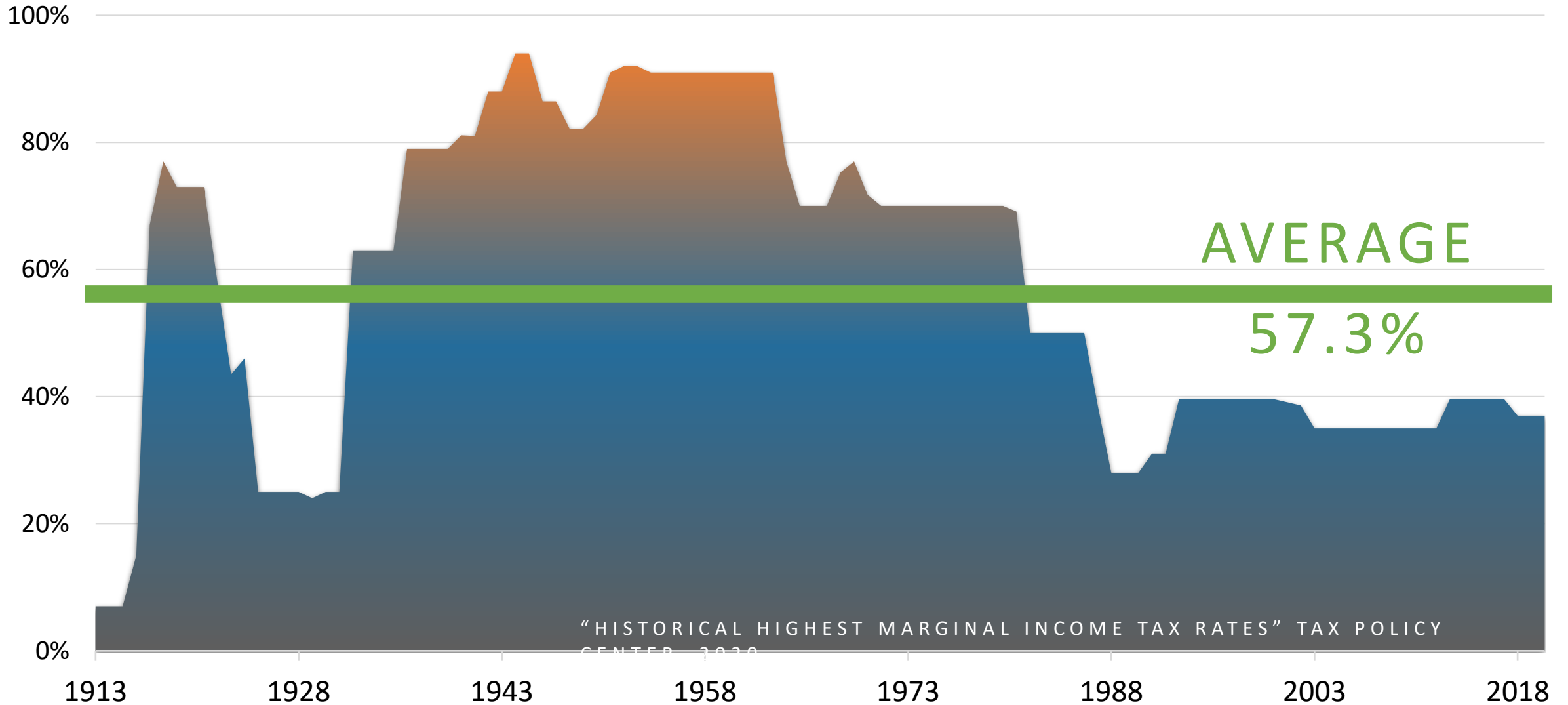
## 2 Main Roth Strategies:

*Roth contributions and Roth conversions*



Converting a traditional IRA or qualified plan assets to a Roth IRA is a taxable event and could result in additional impacts on your personal tax situation, including a need for additional tax withholding or estimated tax payments, the loss of certain tax deductions and credits, and higher taxes on Social Security benefits and Medicare premiums. Please consult with a qualified tax advisor before making any decisions regarding your IRA. It is generally preferable that you have funds to pay the taxes due upon conversion from funds outside of your IRA or qualified plan. If you elect to take a distribution from your IRA or qualified plan to pay the conversion taxes, please keep in mind the potential consequences, such as an assessment of product surrender charges or additional IRS penalties for premature distributions.

# Top Marginal Income Tax Rates: 1913-2021





ROTH vs TRADITIONAL TSP

Which is Right for YOU?

**A**  
**Traditional 401(k)**

Years 1 – 20

Contribution: \$18,000 → 401(k)

NO taxes subtracted

**SO you are left with \$18,000**

**B**  
**Roth/Roth IRA**

Years 1 - 20

Contribution: \$18,000 → Roth

BUT must subtract:  
25% Fed + 6% State

**SO you are left with \$12,420**

**A**  
**Traditional 401(k)**

Years ---> 1 -- 20

\$18,000 @ 5% ROR → 401(k)



**Accumulated:**  
**\$624,947**  
x 4% withdrawal

= ???

**B**  
**Roth/Roth IRA**

Years ---> 1 -- 20

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



**Accumulated:**  
**\$431,213**  
x 4% withdrawal

= ???

**A**  
**Traditional 401(k)**

Years ---> 1 -- 20

\$18,000 @ 5% ROR ----> 401(k) =

\$624,947

X 4%

---

\$24,997

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

**\$17,248.00**

**B**  
**Roth/Roth IRA**

Years ---> 1 -- 20

\$18,000 x 25% Fed + 6% State =

\$12,420 @ 5% ROR ----> Roth =  
\$431,213

X 4%

---

**\$17,248.00**

**A**  
**Traditional 401(k)**

Years ---> 1 -- 20

\$18,000 @ 5% ROR ----> 401(k) =

\$624,947

X 4%

---

\$24,997

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

**\$17,248.00**

**B**  
**Roth/Roth IRA**

Years ---> 1 -- 20

\$18,000 x 25% Fed + 6% State =

\$12,420 @ 5% ROR ----> Roth =

\$431,213

X 4%

---

**\$17,248.00**

---

## Target Retirement Income

---

Show/Hide Target Retirement

Gross Income - Sue	\$107,000
Gross Income - Bill	\$0
	\$0
<b>Total Gross Income</b>	<b>\$107,000</b>
<b>Less</b>	
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
<b>Total Payments</b>	<b>\$44,134</b>
<b>Target Retirement Income</b>	<b><u>\$62,866</u></b>

PRESENT

<b>Total Income</b>		<b>\$107,000</b>	
Additional Information			
Sue 61-62;			
Bill 61-62			
<b>Retirement Income Projections</b>			
Sue	COLA 0%	Pension	\$0
	WD 0%	Social Security	\$0
	0%	Tax Deferred	\$0
	0%	Roth	\$0
	0%	401k & IRA	\$0
TOTAL		\$0	
Bill	COLA 0%	Pension	\$0
	WD 0%	Social Security	\$0
	0%	Tax Deferred	\$0
	0%	Roth	\$0
	0%	IRA	\$0
TOTAL		\$0	
W/D Rate from Cash Assets		\$0	
		\$0	
Total Income at year # 1 =		\$0	
0.0%	Target Retirement Income	\$62,866	

0	2,360	0	0
Employee	Match	Add.	
			Regular Savings
			CD's
			College Savings
			Rate
			Future Value
			1% 101,000
			1% 0
			1% 0
			Tax Deferred
			Roth
			401k & IRA
6,500			IRA 550,000
			4% 0
			4% 68,640
			4% 926,640
24,500			TSP 310,000
			Tax Deferred
			Roth
			IRA
			4% 0
			4% 22,880
			4% 318,760
6,500			IRA 300,000
0	0	37,500	1,437,920
			25,000
			5% 0
			5% 26.250





## RMD & SS

<b>Total Income</b>		0   0   0			0				
Additional Information		Employee	Match	Add.	Regular Savings	CD's	College Savings	Rate	Future Value
Sue 70-100					Savings 109,369			1%	147,412
Bill 70-100								1%	0
								1%	0
<b>Retirement Income Projections</b>					Tax Deferred	Roth	401k & IRA		
Sue	COLA 0%	Pension	\$18,836				IRA 603,504	4%	0
	WD 0%	Social Security	\$32,000					4%	304,680
	0% 0%	Tax Deferred	\$0					4%	879,550
	0% 0%	Roth	\$0			roth 93,939			
	4% 0%	401k & IRA	\$38,650				TSP 362,753		
		<b>TOTAL</b>	<b>\$89,486</b>						
Bill	COLA 0%	Pension	\$0		Tax Deferred	Roth	IRA	4%	0
	WD 0%	Social Security	\$32,000					4%	101,560
	0% 0%	Tax Deferred	\$0					4%	285,878
	0% 0%	Roth	\$0			roth 31,313			
	4% 0%	IRA	\$12,562				IRA 314,061		
		<b>TOTAL</b>	<b>\$44,562</b>						
0% W/D Rate from Cash Assets			\$0		<b>Savings Type Assets Total</b>				1,719,080
			\$0						
Total Income at year # 30 =			\$134,049					5%	0
0.0%	Target Retirement Income		\$62,866				38,783	5%	0

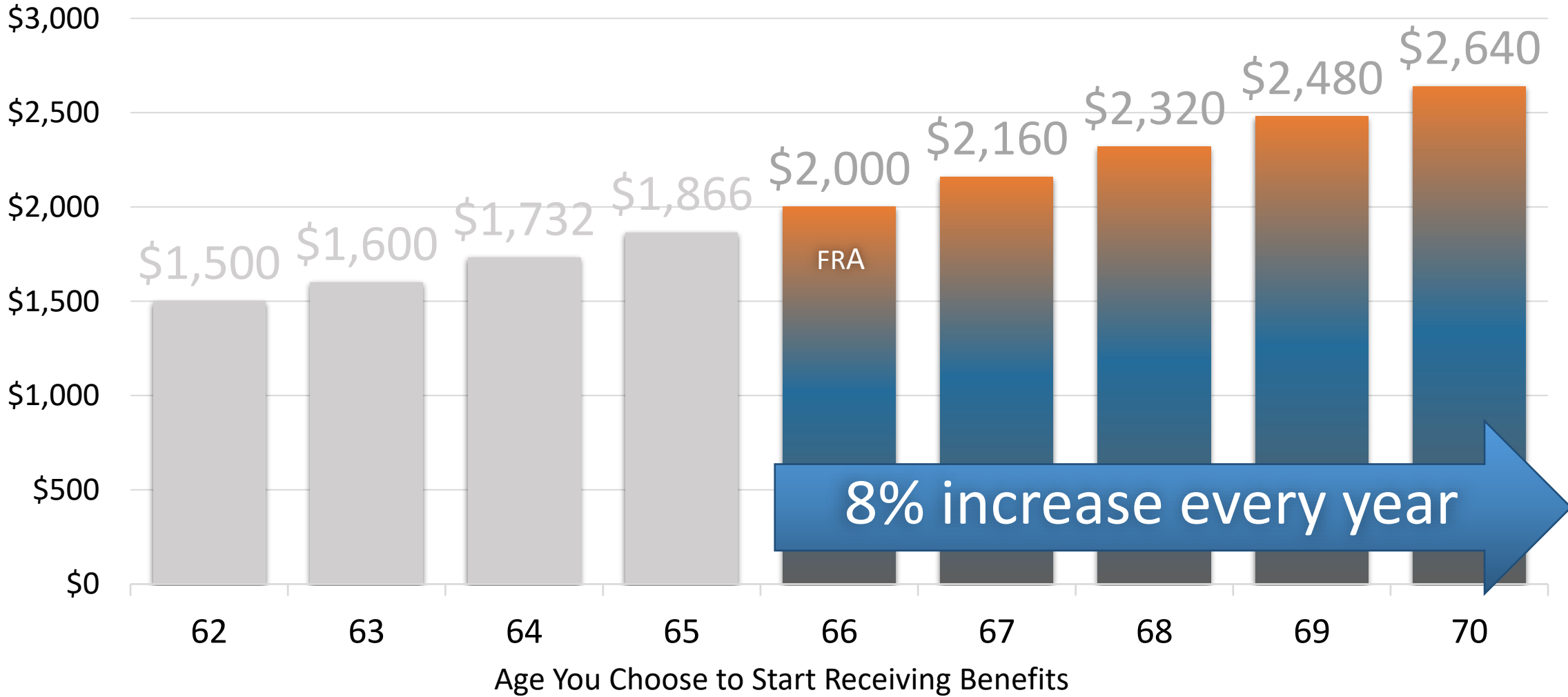
# Last Step: Projected Retirement Income \$160,000. What tax bracket does it fall into?

## Tax brackets 2023

<b>Tax Rate</b>	<b>Single</b>	<b>Married filing jointly</b>	<b>Married filing separately</b>	<b>Head of household</b>
10%	\$0 to \$11,000.	\$0 to \$22,000.	\$0 to \$11,000.	\$0 to \$15,700.
12%	\$11,001 to \$44,725.	\$22,001 to \$89,450.	\$11,001 to \$44,725.	\$15,701 to \$59,850.
22%	\$44,726 to \$95,375.	\$89,451 to \$190,750.	\$44,726 to \$95,375.	\$59,851 to \$95,350.
24%	\$95,376 to \$182,100.	\$190,751 to \$364,200.	\$95,376 to \$182,100.	\$95,351 to \$182,100.
32%	\$182,101 to \$231,250.	\$364,201 to \$462,500.	\$182,101 to \$231,250.	\$182,101 to \$231,250.
35%	\$231,251 to \$578,125.	\$462,501 to \$693,750.	\$231,251 to \$346,875.	\$231,251 to \$578,100.
37%	\$578,126 or more.	\$693,751 or more.	\$346,876 or more.	\$578,101 or more.



# Monthly Social Security Benefit Example



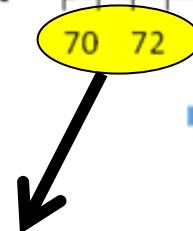
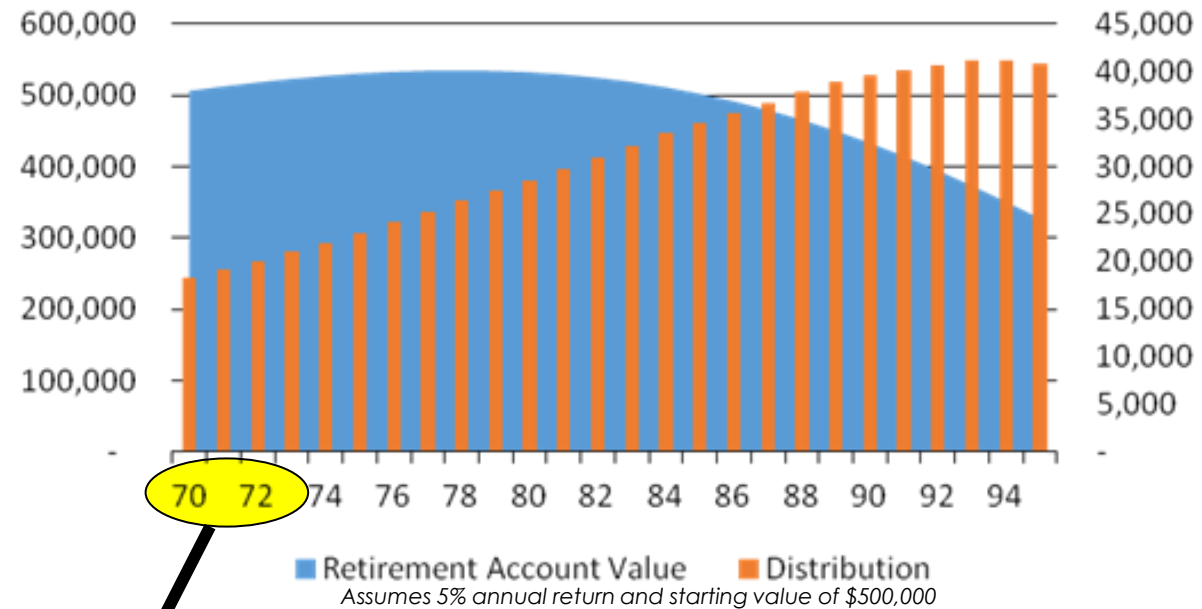
FRA BENEFIT OF \$2,000/MO AT AGE 66

# Last Step: Projected Retirement Income \$160,000. What tax bracket does it fall into?

Tax brackets 2023

<b>Tax Rate</b>	<b>Single</b>	<b>Married filing jointly</b>	<b>Married filing separately</b>	<b>Head of household</b>
10%	\$0 to \$11,000.	\$0 to \$22,000.	\$0 to \$11,000.	\$0 to \$15,700.
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37%	\$578,126 or more.	\$693,751 or more.	\$346,876 or more.	\$578,101 or more.

## Effect of RMDs



**AGE 70 1/2...72...73**

**NOTE:**  
 The age for withdrawing from retirement accounts was increased in 2020 to 72 from 70 & 1/2.  
**SECURE ACT 2.0** will raise the age for RMDs to 73 if you were born in 1951-1959.  
 If you were born in 1960 or later, the SECURE 2.0 Act will raise the age for RMDs to 75.

## RMD & SS

<b>Total Income</b>		0   0   0			0				
<b>\$107,000</b>									
Additional Information		Employee	Match	Add.	Regular Savings	CD's	College Savings	Rate	Future Value
Sue 70-100					Savings 109,369			1%	147,412
Bill 70-100								1%	0
								1%	0
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	4% 0%	IRA	\$12,562						
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0% W/D Rate from Cash Assets		0   0   0			<b>Savings Type Assets Total</b>		<b>1,719,080</b>		
Total Income at year # 30 =							38,783		
0.0% Target Retirement Income							5% 0		
							5% 0		
							5% 0		



# WEALTH TRANSFER: PRE-TAX RETIREMENT ACCOUNTS

Ret. Age	To Age	Pre-Tax Accounts Initial Balance	Level B.o.Y. Withdrawals	Rate of Return (Avg. Annual)	Total of All Fees	Federal+State Income Tax %
72	100	\$1,000,000	\$0	5.00%	0.00%	24%
Age	Year	Balance B.o.Y.	Gross Withdrawal B.o.Y. <input checked="" type="checkbox"/> RMD	Balance Net of Fees E.o.Y.	All-Inclusive Tax Liability E.o.Y.	Net of Fed+State Income Taxes
72	1	\$1,000,000	\$39,063	\$1,008,984	\$0	\$766,828
73	2	1,008,984	40,850	1,016,542	243,970	772,572
74	3	1,016,542	42,712	1,022,521	245,405	777,116
75	4	1,022,521	44,652	1,026,763	246,423	780,340
76	5	1,026,763	46,671	1,029,097	246,983	782,113
77	6	1,029,097	48,542	1,029,582	247,100	782,482
78	7	1,029,582	50,718	1,027,807	246,674	781,133
79	8	1,027,807	52,708	1,023,854	245,725	778,129
80	9	1,023,854	54,752	1,017,557	244,214	773,344
81	10	1,017,557	56,847	1,008,746	242,099	766,647
82	11	1,008,746	58,991	997,243	239,338	757,905
83	12	997,243	61,181	982,865	235,888	746,978
84	13	982,865	63,411	965,428	231,703	733,725
85	14	965,428	65,232	945,206	226,849	718,356
86	15	945,206	67,036	922,078	221,299	700,780
87	16	922,078	68,812	895,930	215,023	680,907
88	17	895,930	70,546	866,653	207,997	658,657
89	18	866,653	72,221	834,154	200,197	633,957
90	19	834,154	73,171	799,032	191,768	607,264
91	20	799,032	73,984	761,300	182,712	578,588
92	21	761,300	74,637	720,996	173,039	547,957
93	22	720,996	75,104	678,186	162,765	515,422
94	23	678,186	74,526	633,843	152,122	481,721
95	24	633,843	73,703	588,148	141,155	446,992
96	25	588,148	72,611	541,314	129,915	411,398
97	26	541,314	71,225	493,593	118,462	375,130
98	27	493,593	69,520	445,276	106,866	338,410
99	28	445,276	66,459	397,758	95,462	302,296

# MEDICARE B COVERAGE FOR 2024

<b>Beneficiaries who file individual tax returns with modified adjusted gross income:</b>	<b>Beneficiaries who file joint tax returns with modified adjusted gross income:</b>	<b>Income-Related Monthly Adjustment Amount</b>	<b>Total Monthly Premium Amount</b>
Less than or equal to \$103,000	Less than or equal to \$206,000	\$0.00	\$174.70
Greater than \$103,000 and less than or equal to \$129,000	Greater than \$206,000 and less than or equal to \$258,000	\$69.90	\$244.60
Greater than \$129,000 and less than or equal to \$161,000	Greater than \$258,000 and less than or equal to \$322,000	\$174.70	\$349.40
Greater than \$161,000 and less than or equal to \$193,000	Greater than \$322,000 and less than or equal to \$386,000	\$279.50	\$454.20
Greater than \$193,000 and less than \$500,000	Greater than \$386,000 and less than \$750,000	\$384.30	\$559.00
Greater than or equal to \$500,000	Greater than or equal to \$750,000	\$419.30	\$594.00

# VERSATILE CALCULATOR

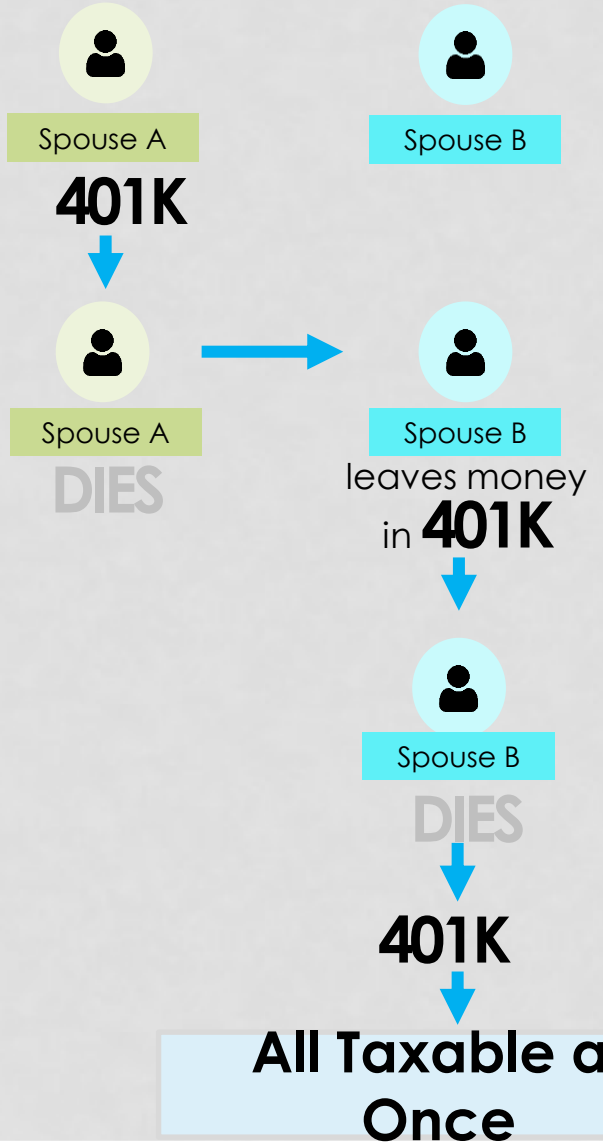
<b>Beginning Balance</b> \$945,000		<b>Gross Level ROR</b> 5.00		<b>Fee % of AUM</b> 0.00		High Random Gross ROR 50.00		Low Random Gross ROR (40.00)		<b>Inflation %</b> 0.00		Lock Random RORs
<b>Annual Additions or Withdrawals</b> (\$116,554)		<b># of Years</b> 10		<b>Avg. Inv. Tax Rate %</b> 26.00		Level RORs		Manually-Typed or Pasted RORs		<b>LOC Rate of Return:</b> Not Included		Recalculate Random Var. RORs (or use F9)
		<b>Ord. Inc. Tax Rate%</b> 0.00 <small>Federal + State</small>		<b>Taxable % of Gain</b> 100.00 <small>Basis &amp; Turnover</small>		Random Fixed RORs		Random Var. RORs				Reset
Year	Beginning Balance	Gross ROR	Gain or Loss	0.00% Fees	0.00% Taxes	Total Tax & Fees + LOC	Net Gain or Loss	Gross Addition or Withdrawal	Ending Balance Before Deferred Tax	Effective ROR Before Deferred Tax	Deferred Tax	
1	828,446	5.00	41,422	0	0	0	41,422	116,554	869,868	5.00	0	
2	753,314	5.00	37,666	0	0	0	37,666	116,554	790,980	5.00	0	
3	674,426	5.00	33,721	0	0	0	33,721	116,554	708,147	5.00	0	
4	591,593	5.00	29,580	0	0	0	29,580	116,554	621,173	5.00	0	
5	504,619	5.00	25,231	0	0	0	25,231	116,554	529,850	5.00	0	
6	413,296	5.00	20,665	0	0	0	20,665	116,554	433,961	5.00	0	
7	317,407	5.00	15,870	0	0	0	15,870	116,554	333,277	5.00	0	
8	216,723	5.00	10,836	0	0	0	10,836	116,554	227,559	5.00	0	
9	111,005	5.00	5,550	0	0	0	5,550	116,554	116,555	5.00	0	
10	1	5.00	0	0	0	0	0	116,554	2	5.00	0	
Totals	1	5.00	220,542	0	0	0	220,542	1,165,540	2	5.00	0	

# STRETCH IRA IS BACK!

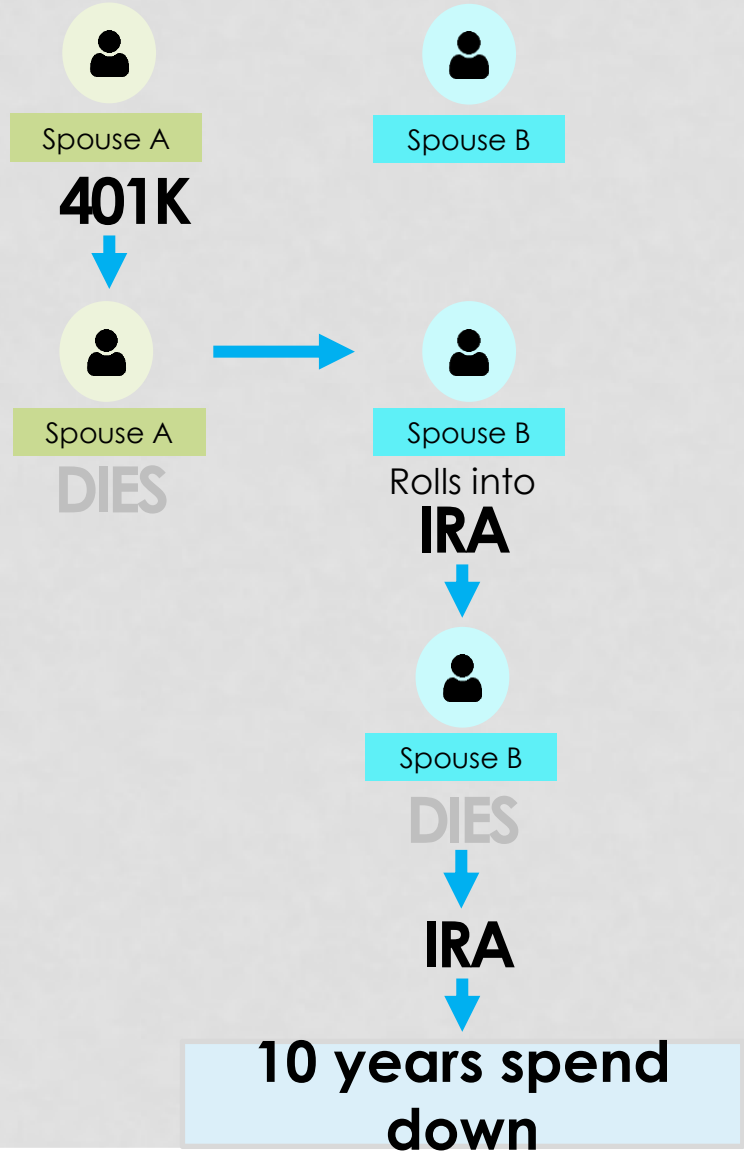


# SECURE ACT 2.0

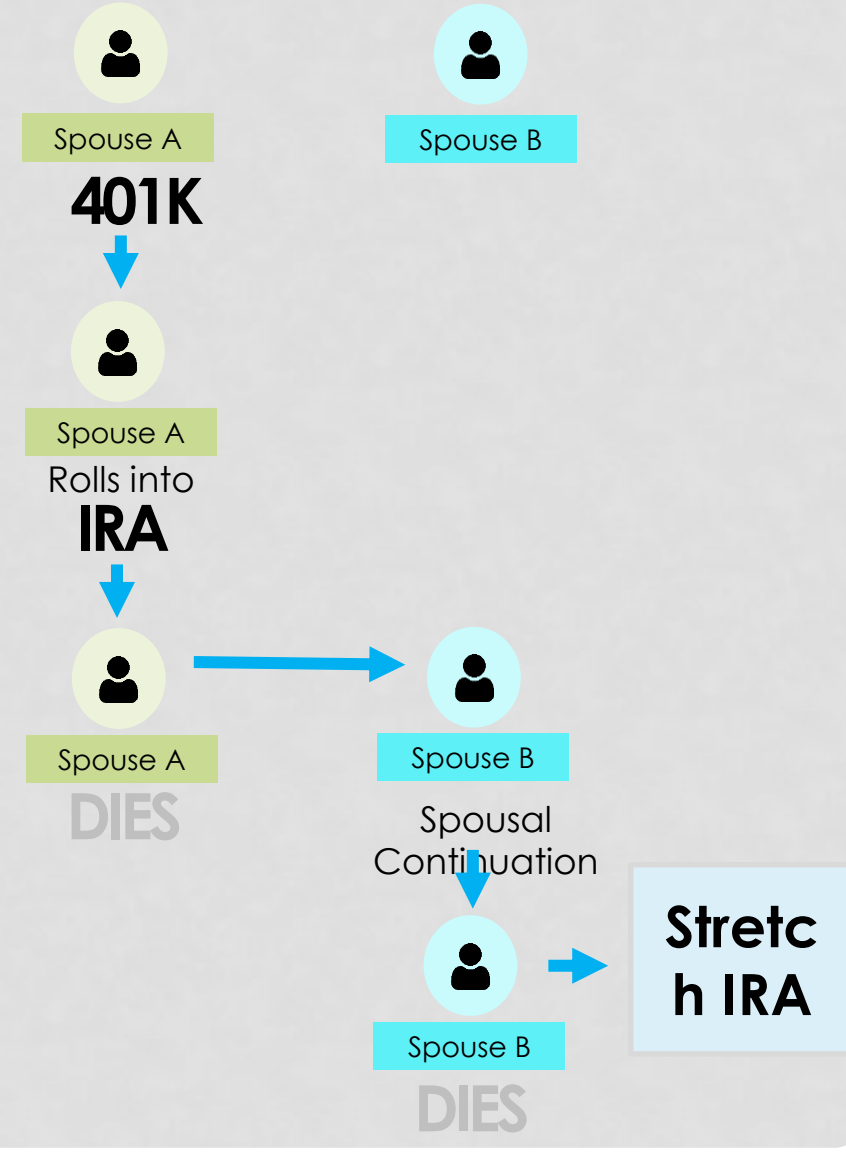
### Scenario 1



### Scenario 2



### Scenario 3



## WEALTH TRANSFER: PRE-TAX RETIREMENT ACCOUNTS

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98	27	493,593	69,520	445,276	106,866	338,410
99	28	445,276	66,459	397,758	95,462	302,296

# Tax Shelter

- ✓ Surplus or Gap
- ✓ Lower/Highs Brackets
- ✓ RMD's Social Security = Reinvestment?
  - Roth IRA/Shadow Provision
- ✓ Where can you Re-Invest Money in Retirement with Tax Free Growth?

# Is Long-Term Care in Your Future?

Statistically, 70% of people over age 65.....that's 7 out of 10 people...will need long-term care

## Perfect Storm...

- **Less Social Security**
- **Reduce Pension**
- **TSP-Tax Deferred**

# Annual Cost of Nursing Home Care

- The average American underestimates the cost of in-home long-term care by almost 50%.
- The median cost of a private nursing home room in the United States has increased slightly to \$105,852 a year, according to Genworth's 2020 Cost of Care survey

## Monthly Median Costs: *National (2020)*

In-Home Care ⓘ	
Homemaker Services <sup>1</sup>	\$4,481
Home Health Aide <sup>1</sup>	\$4,576

Community and Assisted Living ⓘ	
Adult Day Health Care <sup>2</sup>	\$1,603
Assisted Living Facility <sup>3</sup>	\$4,300

Nursing Home Facility ⓘ	
Semi-Private Room <sup>2</sup>	\$7,756
Private Room <sup>2</sup>	\$8,821





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