



DC Metropolitan Chapter www.dcsofa.org

Social Security and Taxes in Retirement



Presentations are intended for educational purposes only and do not replace independent professional judgment. The information discussed is basic and general in nature and is intended for educational purposes only. No specific product or companies are being solicited. It is recommended that you consult the advice of certified professionals regarding your specific situation. Please understand that laws and regulations are subject to local variations and may have different interpretations. Therefore, should legal advice be required, it is recommended that you seek the advice of a qualified attorney in your state of residence. No specific investment advice is ever intended. Financial products can vary, therefore, always examine the detail of the product structure, provisions and features. Any discussions regarding interest rates, rates of return, and tax rates are purely hypothetical and not intended to represent assurances or guarantees. The presenters of this information are not related to, endorsed by, nor connected with and not approved by any Government Agency or organization. Before investing or using any strategy, individuals should consult with their tax, legal, or financial advisor. All information contained in this presentation has been derived from sources deemed to be reliable but cannot be guaranteed.

The Desire

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

01

Long Term
Wealth

02

Retirement
Income

03

Minimized
Taxes

04

Lasting Legacy

05

Reduced Costs
and Risk

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





Financial Decisions = Challenge

One at a Time

At Different Times

With Different People

Under Different Circumstances

We tend to avoid revisiting these decisions, making things worse over time, and causing us to have a “financial junk drawer.”

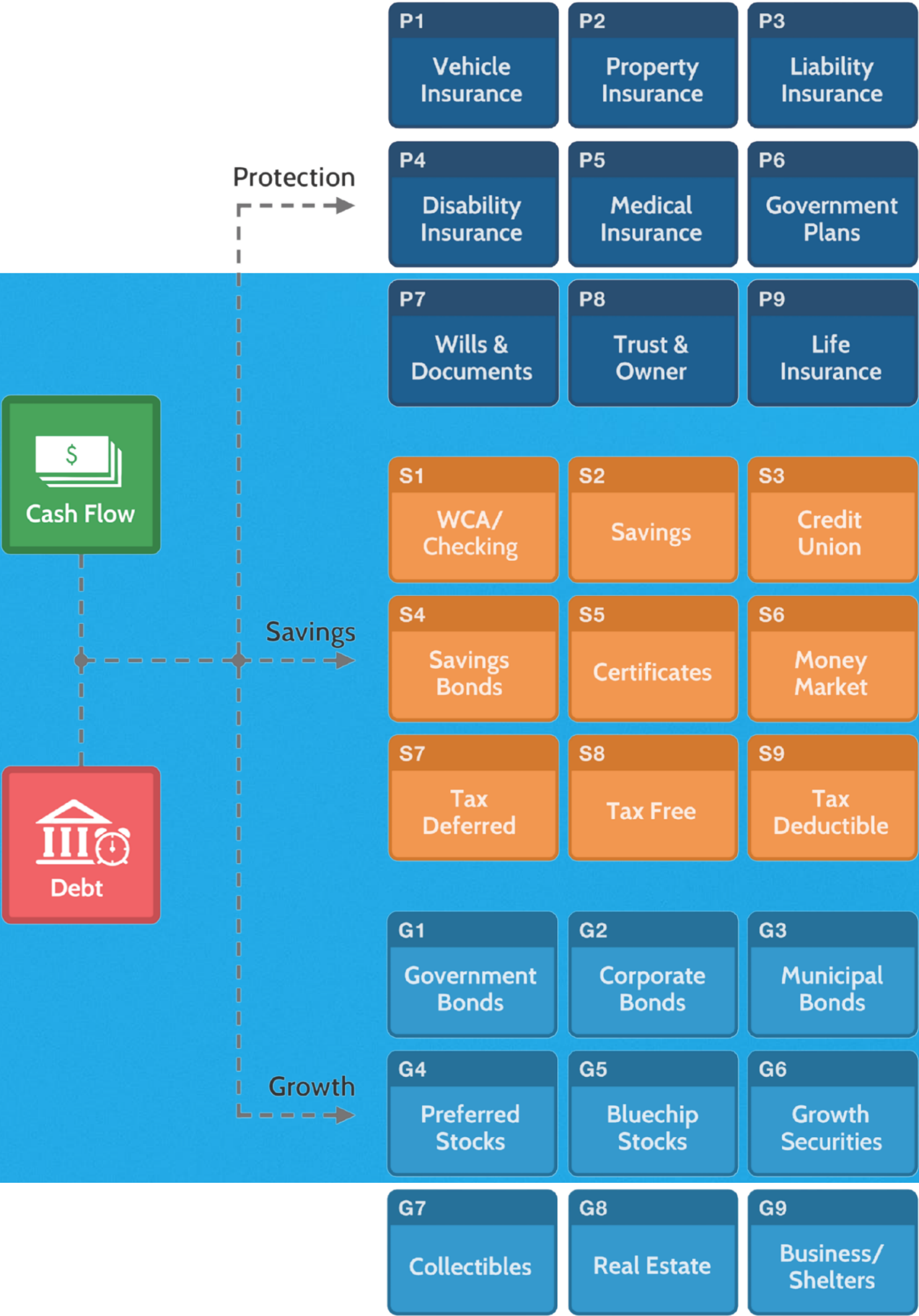
Junk Drawer

Undermines Financial Success

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



Cash Flow



What is Your Financial Anatomy

▶ TRI: Target Retirement Income

Identify the amount of money you are living on today.

▶ Retirement Income Projection

- ☐ Gap
- ☐ Same
- ☐ Surplus

▶ Tax Position

What tax bracket will you be in when you retire?

- ☐ Lower
- ☐ Same
- ☐ Higher



Step #1: Understanding Your Target Retirement Income



Total Gross Income	\$107,000
--------------------	-----------

Less	
TSP/401(k)	\$24,500
IRA	\$6,500
Social Security	\$6,634
Mortgage	\$0
College	\$0
Credit Cards	\$0
Debts	\$6,500
Tax Equivalent	\$0
Non/Qualified IRA	\$0
Roth	\$0

Total Payments	\$44,134
----------------	----------

Target Retirement Income	\$62,866
--------------------------	----------

Step #2: Quantify Your Retirement Income Projections



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

Step #3: Compare and Analyze



TOTAL Gross Income	\$107,000
Less:	
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	
Total Payments	\$44,134
TARGET RETIREMENT INCOME:	\$ 62,866

GAP
*(Less money in retirement
than what you're living
on today)*

SAME

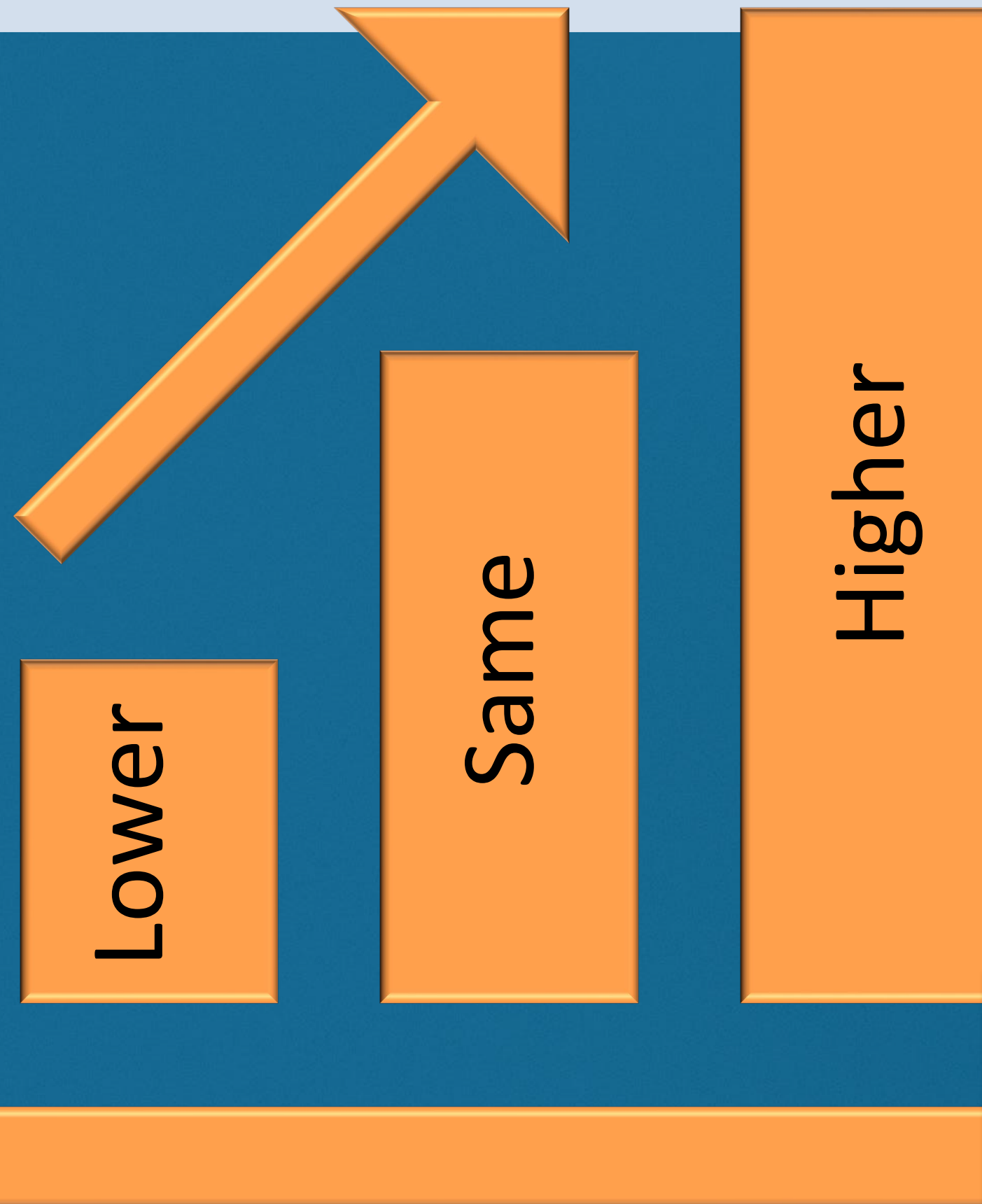
SURPLUS
*(More income in
retirement than you're
living on today)*

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

STEP #4:

Understanding Your Tax Picture

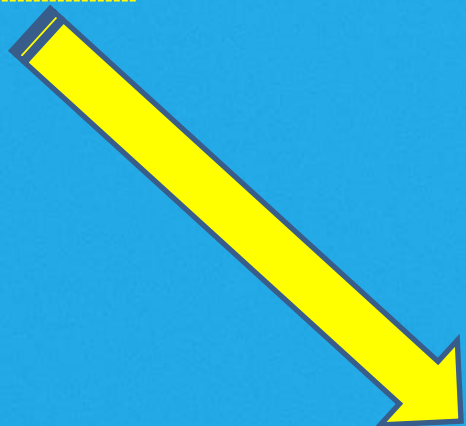
**Will you be
in a**



**TAX BRACKET when
you retire?**

Form 1040		Department of the Treasury—Internal Revenue Service		U.S. Individual Income Tax Return		2024		OMB No. 1545-0074		IRS Use Only—Do not write or staple in this space.	
For the year Jan. 1–Dec. 31, 2024, or other tax year beginning _____, 2024, 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.		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. <input type="checkbox"/> You <input type="checkbox"/> Spouse	
City, town, or post office. If you have a foreign address, also complete spaces below.						State		ZIP code			
Foreign country name				Foreign province/state/county		Foreign postal code					
Filing Status		<input type="checkbox"/> Single <input type="checkbox"/> Head of household (HOH) <input type="checkbox"/> Married filing jointly (even if only one had income) <input type="checkbox"/> Married filing separately (MFS) <input type="checkbox"/> Qualifying surviving spouse (QSS) 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: _____ <input type="checkbox"/> 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 2024, 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.) <input type="checkbox"/> Yes <input type="checkbox"/> No									
Standard Deduction		Someone can claim: <input type="checkbox"/> You as a dependent <input type="checkbox"/> Your spouse as a dependent <input type="checkbox"/> Spouse itemizes on a separate return or you were a dual-status alien									
Age/Blindness		You: <input type="checkbox"/> Were born before January 2, 1960 <input type="checkbox"/> Are blind Spouse: <input type="checkbox"/> Was born before January 2, 1960 <input type="checkbox"/> Is blind									
Dependents		(see instructions):									
If more than four dependents, see instructions and check here <input type="checkbox"/>		(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"/>	
Income		1a Total amount from Form(s) W-2, box 1 (see instructions) 1a									
Attach Form(s) W-2 here. Also attach Forms W-2G 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 29 1f									
		g Wages from Form 8919, line 6 1g									
		h Other earned income (see instructions) 1h									
		i Nontaxable combat pay election (see instructions) 1i									
		z Add lines 1a through 1h 1z									
Attach Sch. B if required.		2a Tax-exempt interest 2a		b Taxable interest 2b		2b		b Ordinary dividends 3b		4b	
		3a Qualified dividends 3a		b Taxable amount 4b		5b		6b			
		4a IRA distributions 4a		b Taxable amount 5b		6b					
Standard Deduction for— • Single or Married filing separately, \$14,600 • Married filing jointly or Qualifying surviving spouse, \$29,200 • Head of household, \$21,900 • If you checked any box under Standard Deduction see instructions.		5a Pensions and annuities 5a		b Taxable amount 5b		6b					
		6a Social security benefits 6a		b Taxable amount 6b							
		c If you elect to use the lump-sum election method, check here (see instructions) <input type="checkbox"/>									
		7 Capital gain or (loss). Attach Schedule D if required. If not required, check here <input type="checkbox"/>									
		8 Additional income from Schedule 1, line 10 8									
		9 Add lines 1z, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income 9									
		10 Adjustments to income from Schedule 1, line 26 10									
		11 Subtract line 10 from line 9. This is your adjusted gross income 11									
		12 Standard deduction or itemized deductions (from Schedule A) 12									
		13 Qualified business income deduction from Form 8995 or Form 8995-A 13									
		14 Add lines 12 and 13 14									
		15 Subtract line 14 from line 11. If zero or less, enter -0-. This is your taxable income 15									

Taxable Income



What is Your Tax Bracket?

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

Tax Bracket 2025

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

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

Step #3: Compare and Analyze



TOTAL Gross Income	\$107,000
Less:	
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	
Total Payments	\$44,134
TARGET RETIREMENT INCOME:	\$ 62,866

GAP
(Less money in retirement than what you're living on today)

SAME

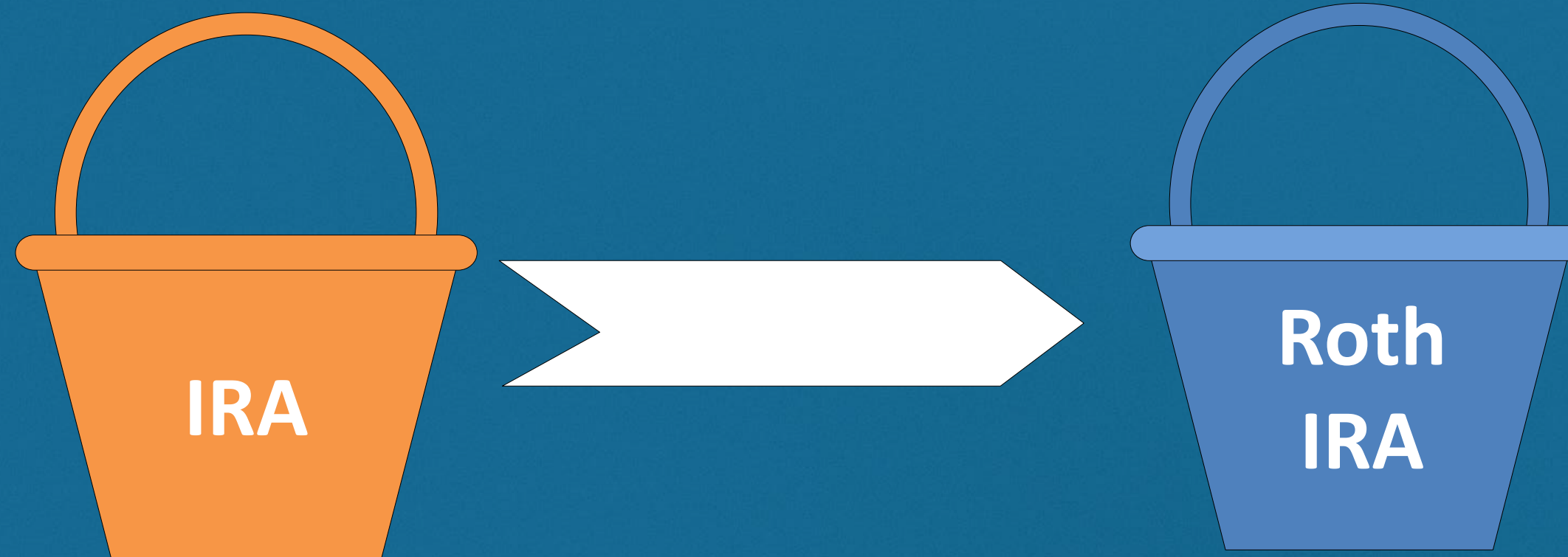
SURPLUS
(More income in retirement than you're living on today)

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

ROTH SOLUTIONS

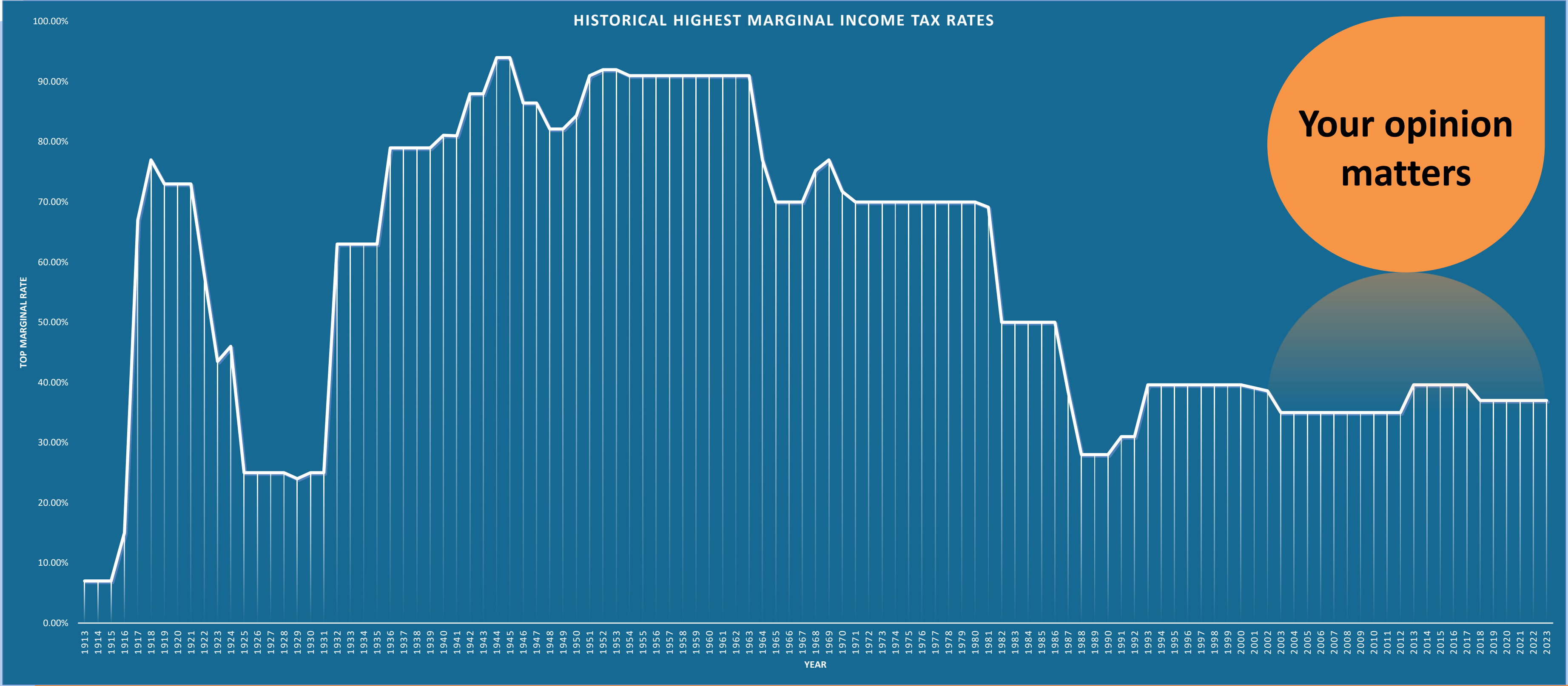
2 Main Roth Strategies:

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.

Where do You Think Your Taxes Will Be in the Future?



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.

ROTH vs TRADITIONAL TSP

Which is Right for YOU?



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 -- WHAT IS THE BEST CHOICE?

Advantages of Roth TSP

- Potentially tax-free withdrawals
- Heirs inherit a tax-free asset
- Roth withdrawals do not increase your taxable income, which may lower taxes on Social Security benefits and/or reduce Medicare premiums.
- *Good candidates: Younger employees, those who won't need to withdraw funds for a long time, expect to be in a higher tax bracket when retired and more aggressive investors..*

Disadvantages of Roth TSP:

- Paying taxes early
- Five year holding period before withdrawals are tax free
- Higher taxable income may reduce eligibility for some tax credits and deductions while you are working.
- *Bad candidates: Will be in a lower tax bracket when funds are withdrawn, expect to need funds from TSP soon, conservative investors.*

Critical decision factors

- Can you afford higher taxes when making the Roth contributions
- Tax rate differential
(contribution years vs. withdrawal years)
- Time horizon for needing funds to meet annual living expenses
- Rate of return on investments
- Concern about benefiting heirs.



Benefits of Roth Conversion

- ▶ Tax-free distributions
(assuming you follow the 5-year rules)
- ▶ If you are over 59 ½, immediate access to funds tax-free with no penalties
(Principal only, earnings must wait 5 years)
- ▶ No required minimum distributions — freedom of choice
- ▶ Tax-free inheritance to beneficiaries
(spouse can do a rollover)
- ▶ Immunized against future tax law changes

Step #1: Understanding Your Target Retirement Income



Total Gross Income	\$107,000
--------------------	-----------

Less	
TSP/401(k)	\$24,500
IRA	\$6,500
Social Security	\$6,634
Mortgage	\$0
College	\$0
Credit Cards	\$0
Debts	\$6,500
Tax Equivalent	\$0
Non/Qualified IRA	\$0
Roth	\$0

Total Payments	\$44,134
----------------	----------

Target Retirement Income	\$62,866
--------------------------	----------

Income	\$0
Total Income	\$107,000

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				\$0
				\$0
Total Income at year # 1 =				\$0
0.0%	Target Retirement Income			\$62,866

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

Employee	Match	Add.
----------	-------	------

0	0	37,500
---	---	--------

6,500

24,500

6,500

Regular Savings	CD's	College Savings	Rate	Future Value
Savings 100,000			1%	101,000
			1%	0
			1%	0
Tax Deferred	Roth	401k & IRA		
		IRA 550,000	4%	0
			4%	68,640
	roth 66,000		4%	926,640
		TSP 310,000		
Tax Deferred	Roth	IRA		
			4%	0
			4%	22,880
	roth 22,000		4%	318,760
		IRA 300,000		
				1,437,920

Government Bonds	Corporate Bonds	BoA Trust	Rate	Future Value
			5%	0
		25,000	5%	0
			5%	26.250

What is Your Tax Bracket?

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

Tax Bracket 2025

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

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

What is Your Tax Bracket?

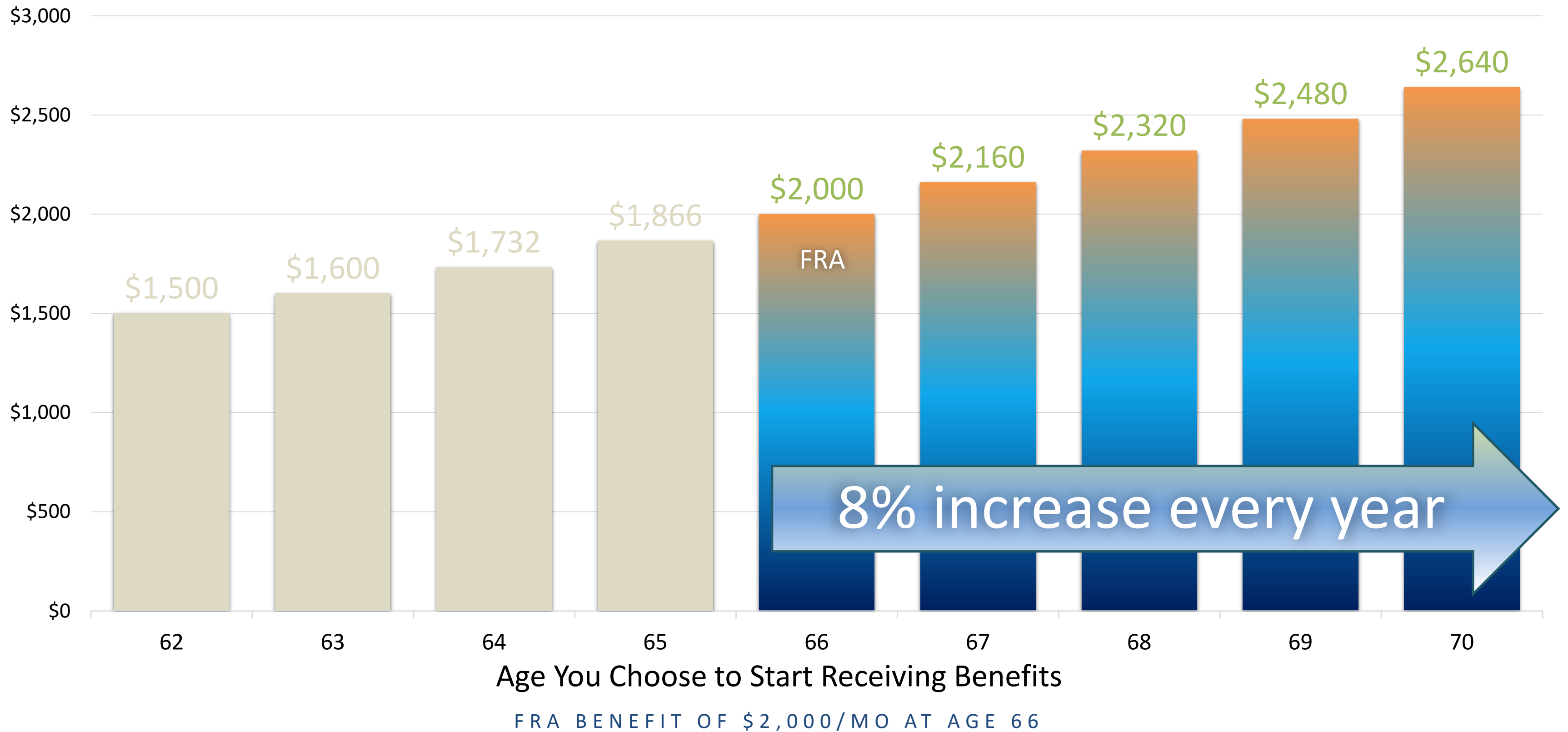
Your Line 15: \$183,000 ~ So, what marginal rate are you in now?

Tax Bracket 2025

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

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

Monthly Social Security Benefit Example



What to Know about Social Security

- How do I understand if I have a choice to delay SS given my planned retirement age?
- Social Security Strategies: Born before 1/1/1954
- Health Issues...
Passing on the highest income possible
- Perfect Storm 1st Death



Medicare B Coverage for 2024

Medicare 2024 Part B Premiums By Income

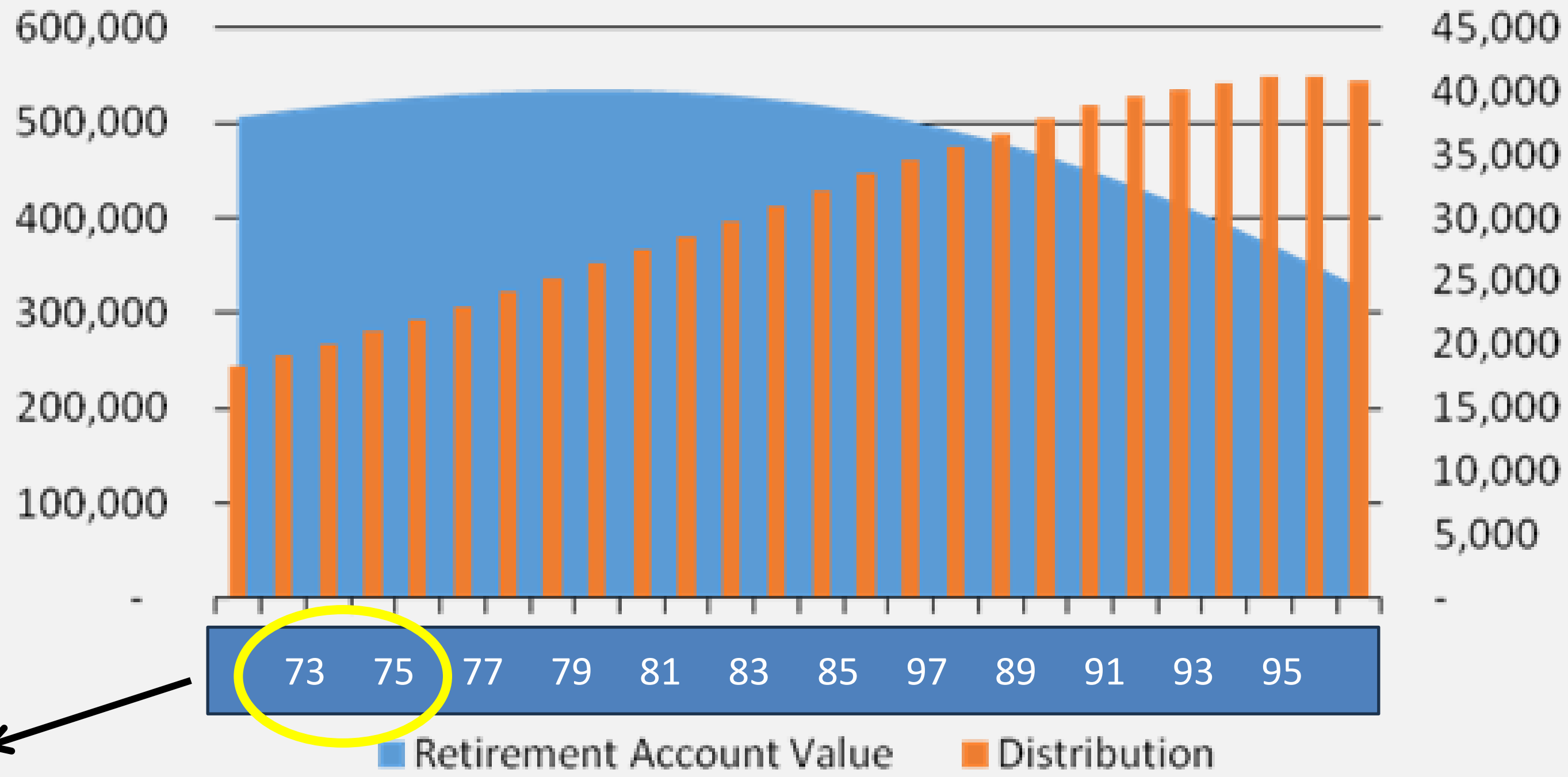
If Your Filing Status and Yearly Income in 2022 was:



Individual Tax Return	Joint Tax Return	Married & Separate Tax Return	PART B Premium + IRMAA
\$103,000 or Less	\$206,000 or Less	\$103,000 or Less	\$174.70
\$103,001 to \$129,000	\$206,001 to \$258,000	N/A	\$244.60 (\$174.70 + \$69.90)
\$129,001 to \$161,000	\$258,001 to \$322,000	N/A	\$349.40 (\$174.70 + \$174.70)
\$161,001 to \$193,000	\$322,001 to \$386,000	N/A	\$454.20 (\$174.70 + \$279.50)
\$193,001 to \$499,999	\$386,001 to \$749,999	\$103,001 to \$396,999	\$559.00 (\$174.70 + \$384.30)
\$500,000+	\$750,000+	\$397,000+	\$594.00 (\$174.70 + \$419.30)



Effect of RMDs



AGE 73...75

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.

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

Which RMD to use?

NO RMD's for ROTH TSP/401(k)

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

Retirement Income Projections

Sue 73 to 90

WD	3.0%	Pension	\$31,133
COLA	3.0%	Social Security	\$52,891
0.0%	0.0%	Tax Deferred	\$0
0.0%	0.0%	Tax Free	\$0
4.0%	3.1%	Tax Deductible	\$73,055
TOTAL			\$157,079

Bill 73 to 90

COLA	0.0%	Pension	\$0
WD	3.0%	Social Security	\$52,891
0.0%	0.0%	Tax Deferred	\$0
0.0%	0.0%	Tax Free	\$0
4.0%	0.0%	Tax Deductible	\$14,131
TOTAL			\$67,022

W/D Rate from Cash Assets \$0

\$0

Total Income at year # 17 = \$224,101

0.0% Target Retirement Income \$62,866

0	0	0
---	---	---

Sue		
Tax Deferred	Tax Free	Tax Deductible
		RIRA 678,860
	Roth 105,668	
		TSP 408,048
Bill		
Tax Deferred	Tax Free	Tax Deductible
	Roth 43,228	
		IRA 353,275
Savings Type Assets Total		
1,080,083		

Sue and Bill
Model Inflation

What Tax Bracket Does it Fall into?

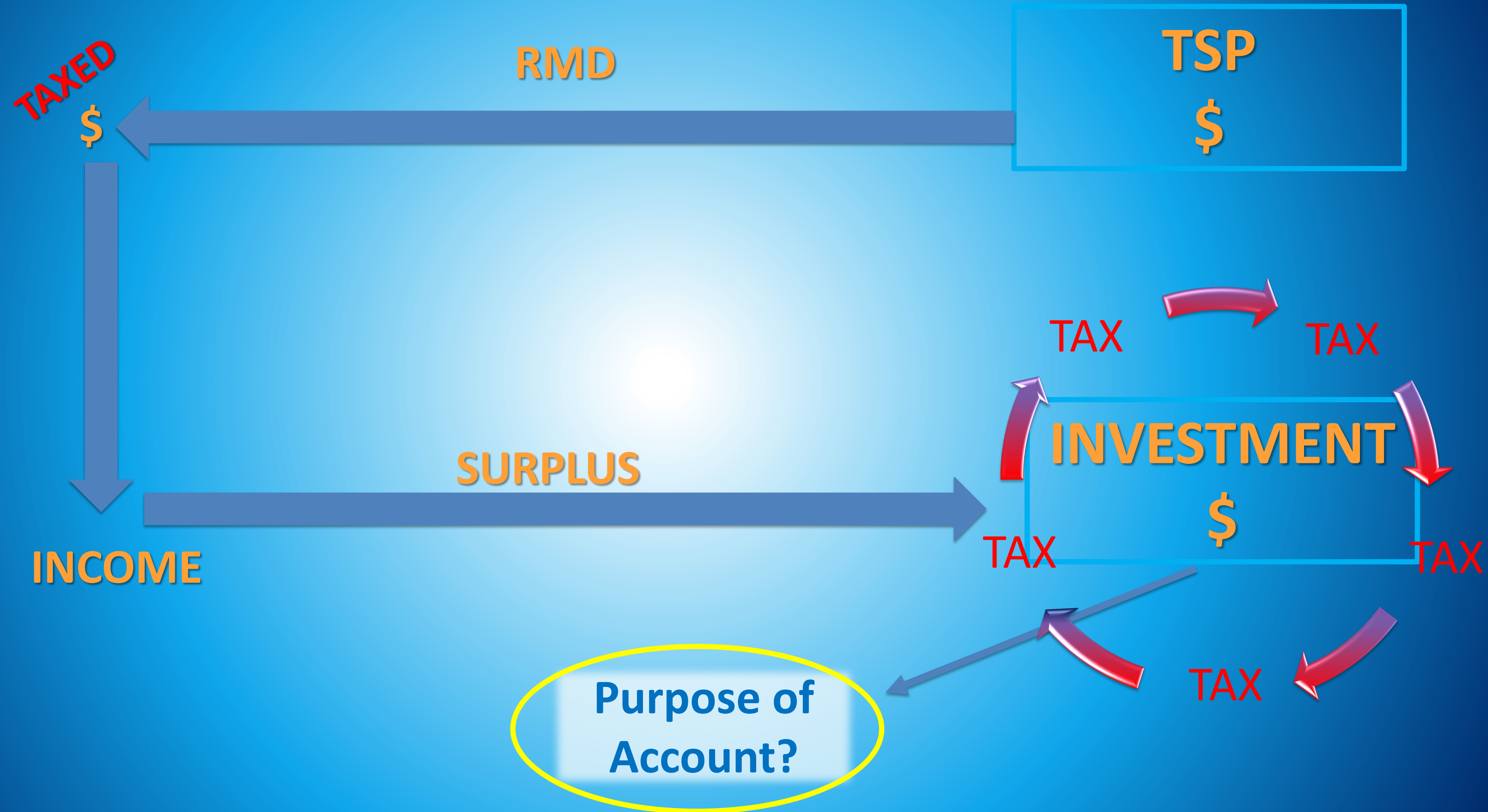
Tax Bracket 2025

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

Wealth Transfer:

Pre-Tax Retirement Accounts

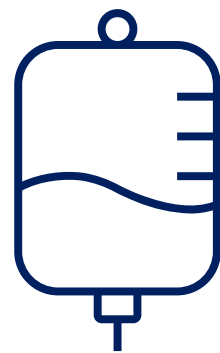
Ret. Age	To Age	Pre-Tax Accounts Initial Balance	Level B.o.Y. Withdrawals	Rate of Return (Avg. Annual)	Total of All Fees	Federal+State Income Tax %
72	100	\$1,000,000	\$0	5.00%	0.00%	24%
Age B.o.Y.	Year	Balance B.o.Y.	Gross Withdrawal B.o.Y. <input checked="" type="checkbox"/> RMD	Balance Net of Fees 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



Purpose of Surplus



Emergency



**Long Term Care
of Health**



Legacy

TAXED
\$

RMD

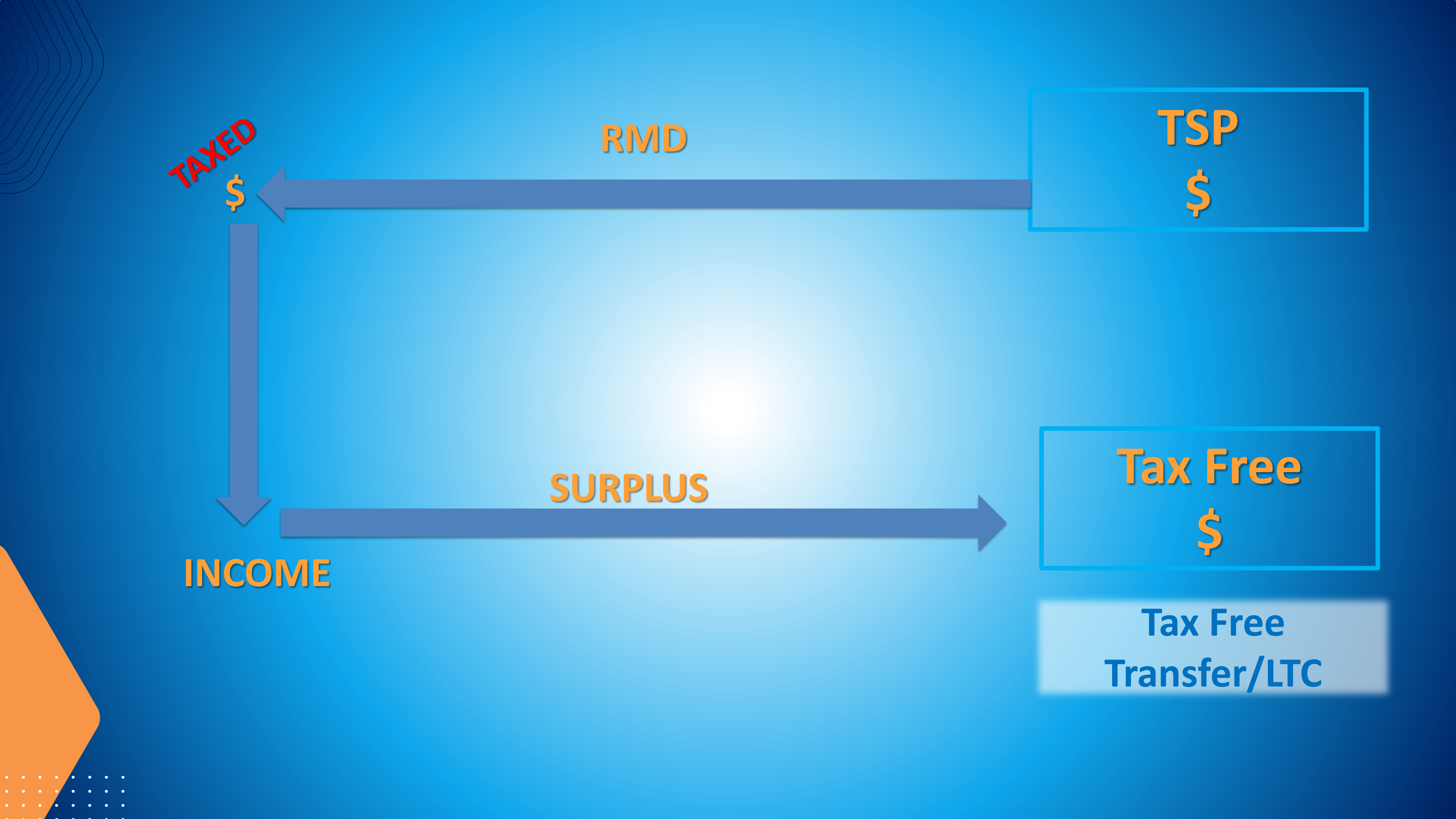
TSP
\$

SURPLUS

Tax Free
\$

INCOME

Tax Free
Transfer/LTC



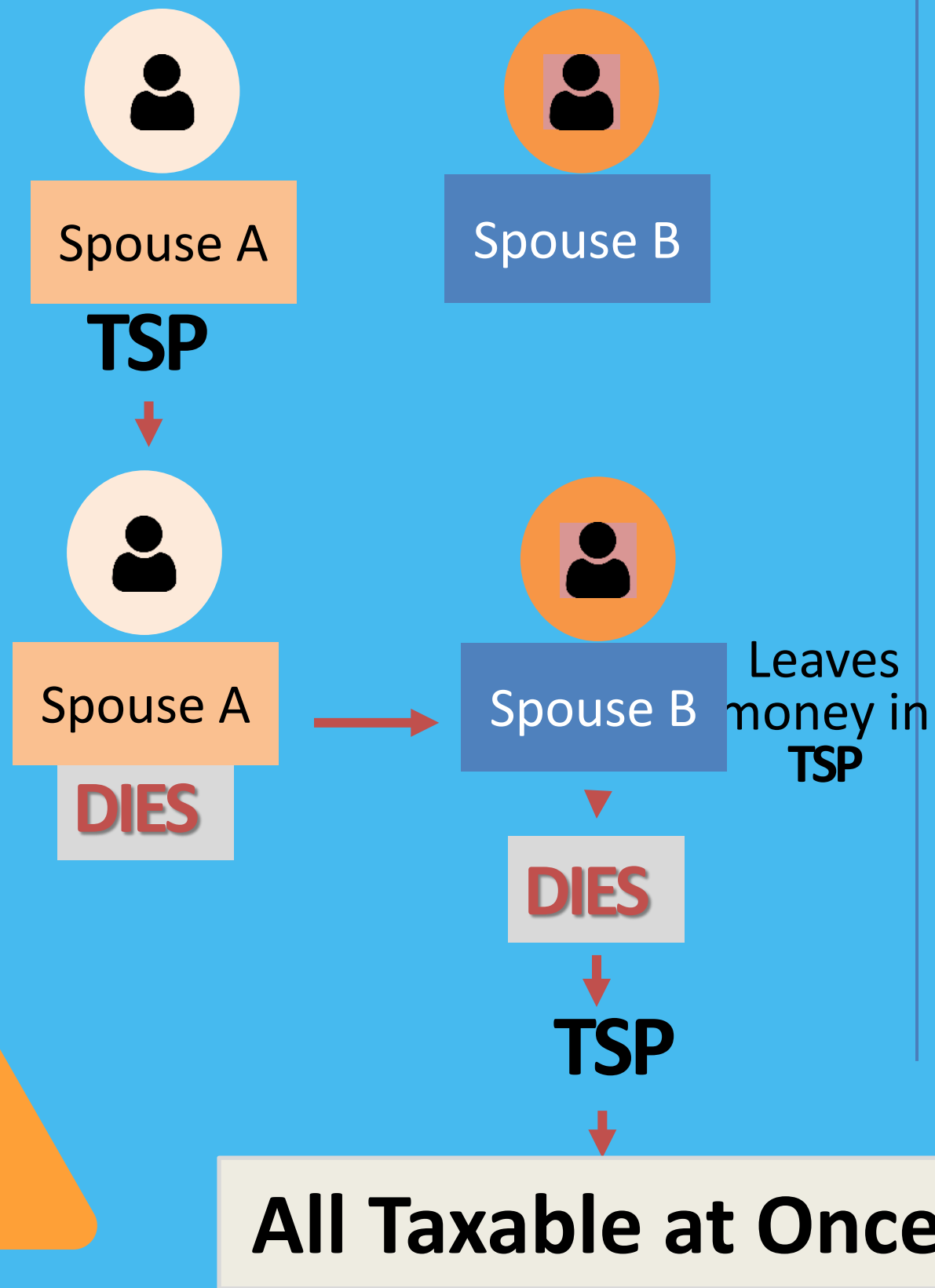
Life Insurance with LTC Rider

<u>Year</u>	<u>Age End Year</u>	<u>Contract Prem for Gtd Values</u>	<u>Guaranteed Cash Value End Year</u>	<u>Guaranteed Death Benefit End Year</u>	<u>Contract Premium</u>	<u>Net Dividend End Year</u>	<u>Cash Value of Additions End Year</u>	<u>Total Cash Value End Year</u>	<u>Paid-Up Additions End Year</u>	<u>Total Death Benefit End Year</u>	<u>Total Paid-Up Insurance End Year</u>
1	60	10,000	0	229,197	10,000	1,494	1,494	1,494	3,482	232,679	3,481
2	61	10,379	676	229,197	10,000	1,680	3,221	3,897	7,277	236,474	8,805
3	62	10,379	6,310	229,197	10,000	1,772	5,092	11,402	11,160	240,357	24,988
4	63	10,379	12,037	229,197	10,000	1,963	7,211	19,249	15,334	244,531	40,931
5	64	10,379	17,848	229,197	10,000	2,197	9,626	27,474	19,870	249,067	56,712
6	65	10,379	23,816	229,197	10,000	2,386	12,297	36,113	24,654	253,851	72,398
7	66	10,379	29,890	229,197	10,000	2,633	15,289	45,179	29,782	258,979	88,004
8	67	10,379	36,053	229,197	10,000	2,912	18,641	54,694	35,296	264,493	103,559
9	68	10,379	42,312	229,197	10,000	3,204	22,373	64,685	41,194	270,391	119,099
10	69	10,379	48,665	229,197	10,000	3,472	26,472	75,138	47,413	276,610	134,575
11	70	10,379	55,110	229,197	10,000	3,837	31,039	86,149	54,100	283,297	150,156
12	71	10,379	61,629	229,197	10,000	4,197	36,078	97,706	61,222	290,419	165,803
13	72	10,379	68,191	229,197	10,000	4,597	41,633	109,823	68,821	298,018	181,544
14	73	10,379	74,778	229,197	10,000	5,060	47,772	122,550	76,975	306,172	197,463
15	74	10,379	81,365	229,197	10,000	5,558	54,534	135,899	85,711	314,908	213,590
16	75	10,379	87,934	229,197	10,000	6,016	61,884	149,818	94,940	324,137	229,845
17	76	10,379	94,484	229,197	10,000	6,432	69,786	164,270	104,580	333,777	246,171
18	77	10,379	101,023	229,197	10,000	6,837	78,253	179,276	114,624	343,821	262,602
19	78	10,379	107,560	229,197	10,000	7,258	87,268	194,828	125,022	354,219	279,115
20	79	10,379	114,106	229,197	10,000	7,633	96,811	210,917	135,723	364,920	295,692
21	80	10,379	120,207	229,197	10,000	8,113	106,986	227,193	146,860	376,057	311,868
22	81	10,379	126,255	229,197	10,000	8,348	117,548	243,803	158,088	387,285	327,886
23	82	10,379	132,233	229,197	10,000	8,645	128,547	260,780	169,487	398,684	343,832
24	83	10,379	138,139	229,197	10,000	9,033	140,073	278,213	181,170	410,367	359,838
25	84	10,379	143,894	229,197	10,000	9,512	152,184	296,078	193,249	422,446	375,972
26	85	10,379	149,469	229,197	10,000	10,052	164,920	314,388	205,792	434,989	392,303
27	86	10,379	154,820	229,197	10,000	10,568	178,231	333,051	218,763	447,960	408,792
28	87	10,379	159,906	229,197	10,000	11,109	192,112	352,018	232,190	461,387	425,456
29	88	10,379	164,694	229,197	10,000	11,642	206,524	371,218	246,061	475,258	442,284
30	89	10,379	169,154	229,197	10,000	12,192	221,447	390,602	260,398	489,595	459,304

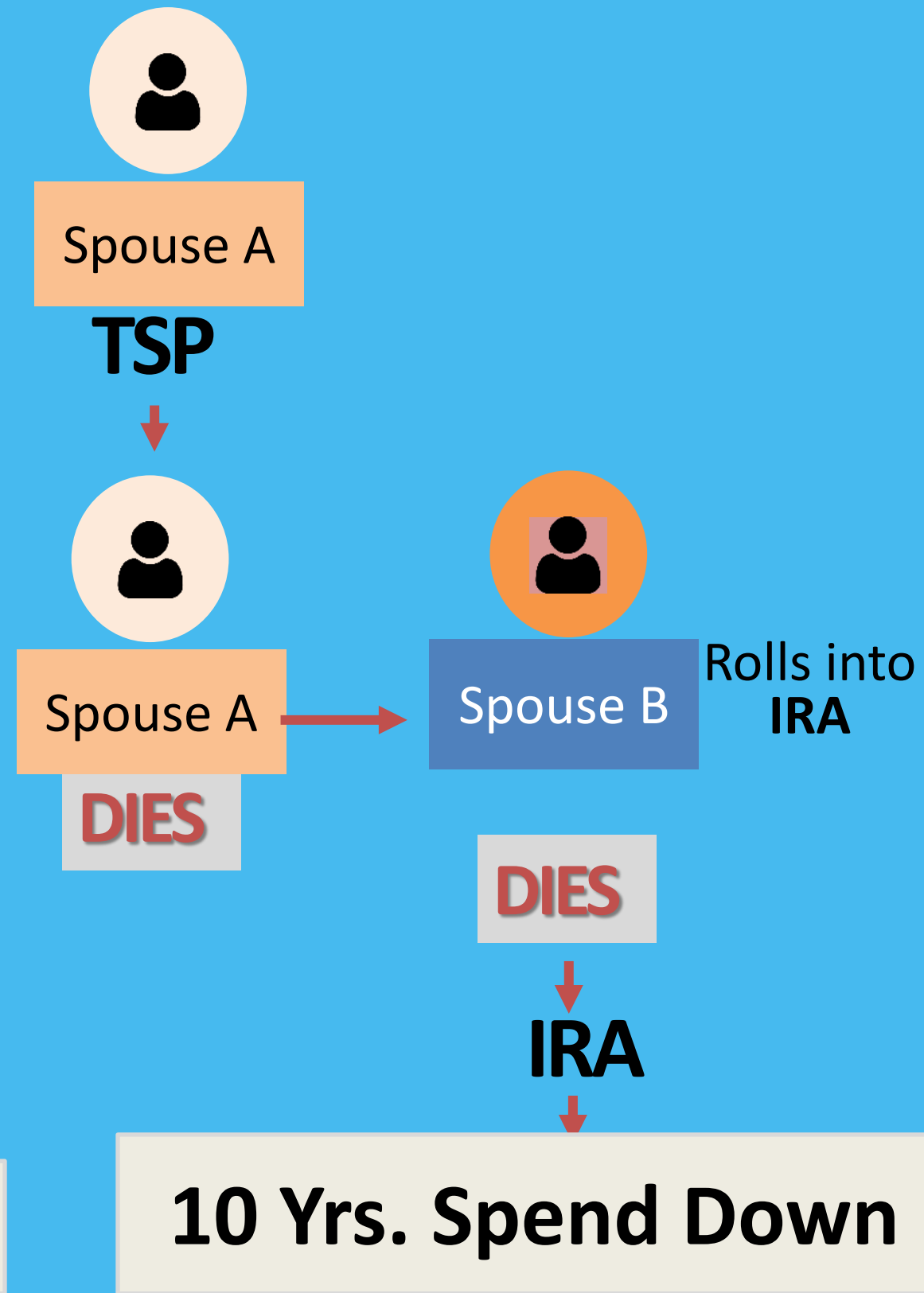
Stretch IRA is Back !

Secure Act 2.0

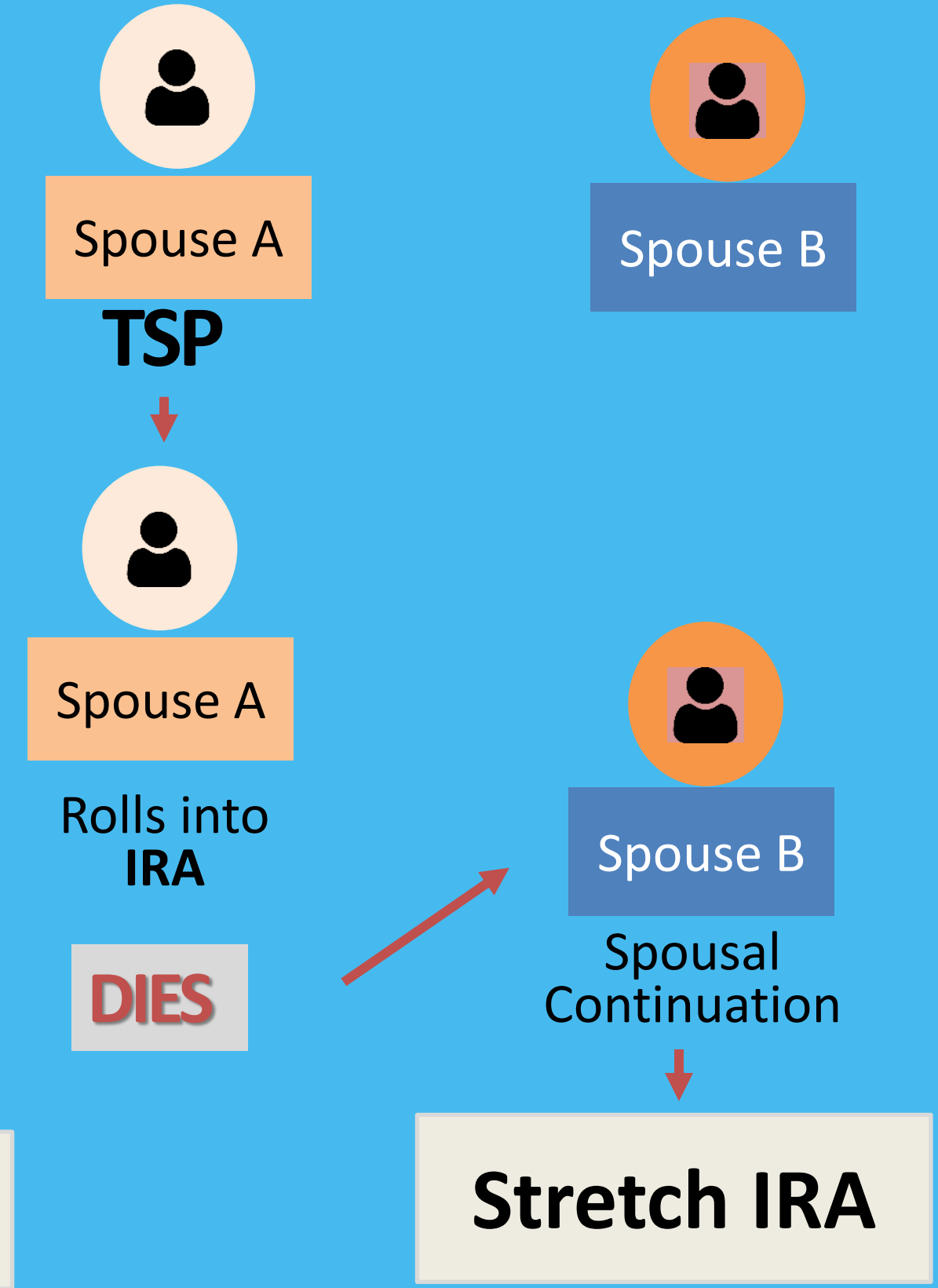
Scenario 1



Scenario 2



Scenario 3



Is Long Term Care in Your Future?

Perfect Storm...

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

**Statistically,
70% of
people over
age 65 will
need long-
term care**

70%



Median Nursing Home Costs

2024

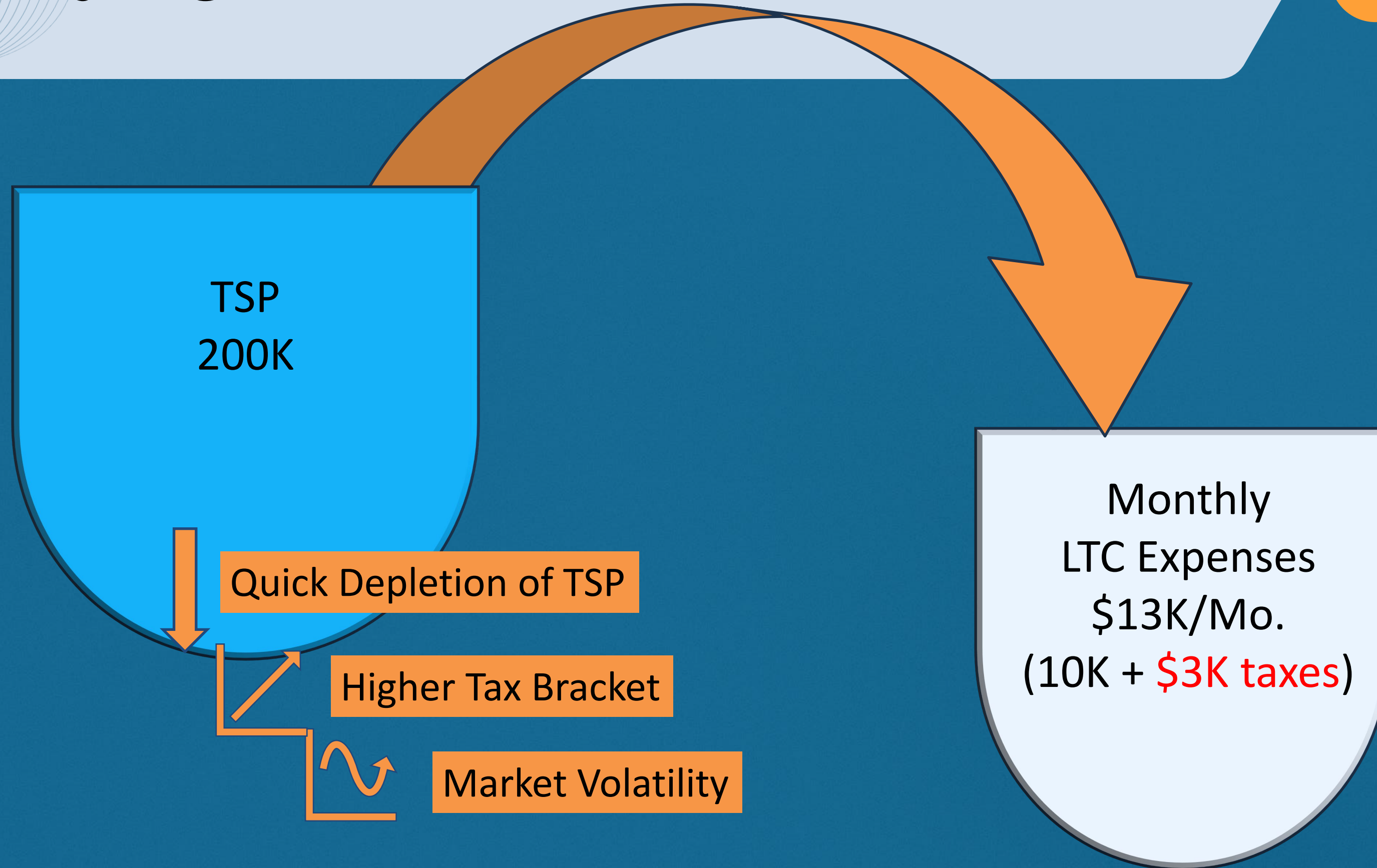
A stylized map of the United States in blue, set against an orange background with a dotted pattern. Two white oval callouts are placed over the map. The top callout, located in the upper left, contains the text 'Semi-Private Room \$9,277'. The bottom callout, located in the lower center, contains the text 'Private Room \$10,646'. To the right of the bottom callout is a yellow exclamation mark icon. Several purple dollar signs (\$) and cent signs (¢) are scattered across the map. A black arrow points from the bottom right towards the map.

Semi-Private Room
\$9,277

Private Room
\$10,646

Fluctuations: labor costs, demand, and state regulations.

Paying for LTC: TSP



Existing Policies Premium Rate Increases

State	Filer	Calculated premium change (\$M)	Written premium (\$M)	Approved rate change (%)*	Number of policyholders affected	Renewal business effective date
VA	Genworth Life Insurance Co. ¹	9.7	26.9	36.1	10,228	04/21/22
OH	Genworth Life Insurance Co.	9.7	14.8	65.4	6,713	03/31/22
PA	John Hancock Life Insurance Co. of New York	7.5	12.7	59.1	4,760	05/09/22
TN	Genworth Life Insurance Co.	5.5	9.2	59.5	4,431	04/27/22
KY	Genworth Life Insurance Co.	5.1	12.7	39.9	4,617	03/31/22
IA	MetLife Insurance Co.	5.0	10.6	47.4	2,612	02/18/22
NE	Mutual Insurance Co.	4.9	4.6	107.1	2,383	01/01/22
AL	Genworth Life Insurance Co.	4.7	31.0	15.0	8,321	03/14/22
TX	Allianz Life Insurance Company of North America	4.6	7.5	62.2	2,821	01/29/22
NE	Ability Insurance Co. ²	4.6	8.1	56.7	2,024	01/13/22

**11%
Annual
Increase !**

Date compiled Aug 4, 2022

LTC = long-term care

Information collected on a best-effort basis. Rate filing information is sourced from the System for Electronic Rate and Form Filing documents.

Reflects individual long-term care rate filings for Type of Insurance LTC02I, LTC031, LTC041 and LTC051 with renewal business effective dates between Jan. 1 and June 30, 2022. Excludes pending, disapproved and withdrawn filings; filings where rate change was zero; filings where data on the premium impacted was unavailable; filings where the disposition table was unavailable, notably in the state of Florida.

Written premium, calculated premium change, approved rate change and number of policyholders affected are based on disposition section of rate filings. Approved rate change reflects the calculated premium change divided by written premium.

Top 10 filings shown are based on calculated premium change.

*Approved rate change shown may be the ultimate increase as some states cap the amount an insurer can raise rates in a given year.

¹ Adjustments made to values shown due to discrepancies between disposition table and correspondence from the state insurance regulators within the filing.

² Include LTC premium changes for policies of medico Insurance Co. that have been novated over to Ability Insurance Co.

Source: S&P Global Market Intelligence

Stress Test Your LTC Premium

<u>Beginning Balance</u>	<u>Gross Level ROR</u>
\$3,930	11.00
<u>Annual Additions or Withdrawals</u>	<u># of Years</u>
\$0	20
	<u>Ord. Inc. Tax Rate%</u>
	0.00
	Federal + State

Year	Beginning Balance
1	3,930
2	4,272
3	4,643
4	5,046
5	5,485
6	5,961
7	6,479
8	7,042
9	7,654
10	8,320
11	9,042
12	9,828
13	10,682
14	11,611
15	12,620
16	13,716
17	14,908
18	16,204
19	17,612
20	19,142

Can you afford this?

The story of JIM...



But
Theresa...





DC Metropolitan Chapter www.dcsofa.org



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



Presentations are intended for educational purposes only and do not replace independent professional judgment. The information discussed is basic and general in nature and is intended for educational purposes only. No specific product or companies are being solicited. It is recommended that you consult the advice of certified professionals regarding your specific situation. Please understand that laws and regulations are subject to local variations and may have different interpretations. Therefore, should legal advice be required, it is recommended that you seek the advice of a qualified attorney in your state of residence. No specific investment advice is ever intended. Financial products can vary, therefore, always examine the detail of the product structure, provisions and features. Any discussions regarding interest rates, rates of return, and tax rates are purely hypothetical and not intended to represent assurances or guarantees. The presenters of this information are not related to, endorsed by, nor connected with and not approved by any Government Agency or organization. Before investing or using any strategy, individuals should consult with their tax, legal, or financial advisor. All information contained in this presentation has been derived from sources deemed to be reliable but cannot be guaranteed.