



Tax Tips to Maximize Retirement Savings

Retirement represents a major turning point in one's life. One factor that remains, regardless of this new chapter in your life, is the presence of taxes. If you've followed the advice of retirement plan advisors, you should already be saving in tax-advantaged retirement accounts. Taxes are deferred in these accounts until you take money out in retirement. Taxes on income from other sources, such as Social Security, pensions, and earnings from part-time employment, can potentially be an issue for you. Considering these variables, it makes sense to develop a customized retirement income plan.

When should you start taking Social Security benefits? The benefits are increased by delaying withdrawals, ideally until age 70. However, keep in mind that if your annual income is more than \$34,000, you may be required to pay taxes on a significant portion of your Social Security income, up to 85%.

Understanding your tax bracket in retirement is crucial. Since there is a chance that the tax bracket will drop, it is critical to track income levels from Social Security, pensions, and annuities as well as withdrawal amounts to make sure you don't accidentally move into a higher bracket.

Figure out your withdrawal sequence. Generally, you should take your withdrawals in the following order:

1. Start with your required minimum distributions (RMDs) from retirement accounts since you're already required to take these.
2. Move on to taxable accounts, where you will need to manage them carefully due to tax implications.
3. Next, tap into tax-deferred retirement accounts (e.g., IRAs, 401(k)s, 403(b)s), acknowledging the accompanying income tax implications; do this before touching Roth accounts.
4. Finally, withdraw from tax-exempt retirement accounts like Roth IRAs or 401(k)s. Saving these accounts for last allows you to take withdrawals without tax penalties and can also be used for estate planning purposes.

Navigating these factors can be complicated, consulting with a tax professional can help you apply these tips to your own financial situation. This will allow you to evaluate different strategies and identify which ones can help you minimize the taxes you'll have to pay on your savings and benefits.

Please access your retirement plan provider's website or consult Bob Greulich at 630-684-8562 or robert.greulich@tppgllc.com

Securities offered through Triad Advisors, LLC (member FINRA/SIPC). Investment advice offered through Resources Investment Advisors, an SEC registered investment adviser. Pinnacle Planning Group, RPAG and Resources Investment Advisors are separate entities from Triad Advisors, **Osaic Approval Tracking # 6493491** 03/24