

Retirement Income

This financial cheat sheet on retirement income is intended to be used as a guide for you to maximize your income during retirement. In your pre-retirement years, savings is key to accumulating a pool of capital that you can access later as income. Depending on your age and goals, savings can be accelerated to provide cash-flow and access to capital.

Where you store your money is more important than the return it earns. Minimizing transfers now can significantly increase your spendable income later. When distributing your accounts during retirement the risks and transfers are magnified due to the withdrawal rate. Future taxes are uncertain, however when you consider our national debt and government spending, few believe they will go down. Deferring taxes to an uncertain rate can cause massive transfers, the marginal income tax has been as high as 94%. All income is typically included in your provisional income during retirement, triggering a tax on Social Security. In following the strategy outlined in the Financial Success Template™, Social Security taxes are eliminated, therefore producing more spendable income with less risk. With this strategy, taxable and tax deferred accounts can be moved to tax-free accounts, reducing the further compounding of taxes. Unnecessary taxes that would have otherwise been paid are recovered.

The relevant questions to ask yourself about retirement income are:

Where will you draw income from, and for how long? What will your after tax, spendable income be?

The bottom line with income is positive cash-flow.



Income Today	Taxable Accounts	Tax Deferred Accounts	Tax Free Accounts	Retirement Income
Salary, Bonus	CD, Savings	IRA, 401k, SEP	*Bonds, *ROTH	Pensions *T
Commissions, Fees	Money Markets	403b, etc	Life Insurance	Plan Distributions *T
Rents	Mutual Funds	*Real Estate		Social Security *T
Royalties	Stocks, *Bonds			Royalties *T
Dividends				Rents *T
Inheritance, Trusts				Life Insurance



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We do not provide tax advice, please seek advice from your tax professional. This process is educational and is intended to provide for the discovery of alternatives to traditional retirement income planning. Social Security income may be taxable depending on income and IRS thresholds. *Certain bonds are taxable and others tax free. *ROTH accounts are considered to have tax free distribution. *Real estate and rents fall into a variety of taxable situations. This financial cheat sheet on income was taken from the income module of the Financial Success Template™.

