Planning for tax-efficient retirement income

For many, having a tax-efficient retirement income strategy can provide considerable savings on taxes, extend the life of your retirement savings or leave more to your beneficiaries. Speaking with a tax advisor or financial professional can help you make sound decisions now and when you withdraw income in retirement. The following questions will help get the conversation started.

Retirement basics

- Will I have enough money in retirement?
- When should I start taking distributions from my retirement plan?
- What are the tax implications when I start to receive retirement income?
- How can I minimize my income taxes in retirement?

Withdrawal decisions

- Where should I take income from first? (Qualified vs. nonqualified; traditional IRA vs. Roth; Social Security benefits, etc.)
- Should I do a Roth conversion before required minimum distributions (RMDs) begin?
- Should I consider rolling over my retirement savings to an IRA?

Social Security benefits

- How can I maximize Social Security income?
- Will my Social Security benefits be taxed?
- How does employment income post-retirement impact my Social Security benefits?

Health care expenses

- How much will I spend on my health care expenses in retirement?
- Can I use my health savings account (HSA) funds in retirement?
- What happens if large or unexpected expenses from health care or long-term care (LTC) exceed my income?
- Should I use retirement assets to purchase life insurance or LTC insurance?

Major expenses/legacy

- Should I take a distribution to pay off debt or renovate my home?
- I want to travel or make a large purchase. How will this impact my retirement income?
- Can I gift money to children or charity?
- What is the tax impact on beneficiaries for different types of accounts?

Have questions of your own? Jot them down here.

Talk to your financial professional about steps you can take to generate tax-efficient retirement income.

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