BOOSTING RETIREMENT SAVINGS AND MINIMIZING TAXES NOW

RETIREMENT IS LONGER, EXPENSES ARE HIGHER, AND SAVINGS AREN'T KEEPING UP

Saving for retirement can be a great way to lower your taxes now – especially if you are over 50. From retirement savings to healthcare, there are programs that can give you the boost you need.

- **For people aged 55-64, the average retirement account balance was $197,322 in 2020.**
- **The average Social Security retirement benefit in January 2022 was $1,614 per month, or about $19,370 per year.**
- **For a 90% chance of having enough savings to cover medical expenses in retirement, a couple needs to have $270,000 saved.**

Sources: Business Insider, Social Security Administration, Employee Benefit Research Institute, cbpp.org

BOOSTING RETIREMENT INCOME CHECKLIST

WE'VE CREATED THE CHECKLIST YOU NEED TO BOOST YOUR RETIREMENT INCOME.

Maximize Your 401(k)

Within a 401(k), contributions are made with pre-tax dollars, lowering the current year's taxable income. Taxes are deferred and paid during retirement when income is lower, potentially resulting in a lower tax bill. The annual maximum contribution to a 401(k) plan is $20,500.

Take Advantage of the IRS Catch-up

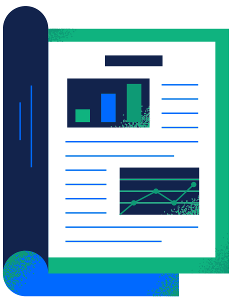
When you're over 50, contributing the maximum plus the catch-up provision can boost savings considerably. If you're 50 or over, you're allowed to contribute an additional $6,500 per year in your 401(k), which can potentially provide a nice supplemental boost to your retirement account.

Open an HSA Account

HSAs help boost retirement savings by allowing you to save tax-advantaged dollars to cover medical expenses. HSAs can be used for current or future medical expenses, including deductibles, co-insurance, prescriptions, vision expenses, and dental care. If you are over 55, you can contribute an additional $1,000 to either the individual or family maximum.

BOOSTING RETIREMENT INCOME CHECKLIST

THE CHECKLIST CONTINUED



Audit Your Investable Accounts

Where you hold your assets matters when creating an income stream. Taxable accounts, such as brokerage accounts, should hold tax-efficient investments. These include stocks you will hold for more than a year, tax-exempt municipal bonds, index funds, and other asset classes. Tax-deferred accounts are good homes for tax-inefficient investments. These include fixed income, commodities, some alternatives, and other actively managed strategies.

The third account type is tax-free Roth IRA accounts. If you did not set one up early in your career, you can convert to one as there are no income limits on conversions. You'll need to pay the taxes up front, but tax-free growth, tax-free withdrawals.

Determine Your Retirement Paycheck

When it comes to retirement withdrawals, there are generally two schools of thought on drawing down retirement funds. The first is the 4% Rule – this is based on the assumption that if you withdraw 4%, adjusted for inflation, your money will last the entirety of retirement. The second is the U-Shaped Curve – this assumes that your expenses do not decline, but instead ramp up at the beginning of retirement, decline in the middle and then climb up again at the end. Take time to determine which one is right for you.

Catching up on retirement savings is possible through a little planning and some diligent saving.

Even if you are currently underfunded for retirement, we can help you formulate a plan to get there in time for a successful life transition. Working together, we'll implement tax-advantaged savings and investing strategies that will put your money to work and get you on track.