

Meet the retirement of your dreams

RETIREMEET **AMERICA**

Saving on Income Taxes in Retirement

Presented by:

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Apella Wealth

AGENDA

What's more fun than taxes?

- **Types of Taxable Income**
- **Cash Flow vs Taxable Income**
- **Timing of Taxable Income**
- **Reducing Taxable Income**
- **Can I do it myself?**



AGENDA

What's more fun than taxes?

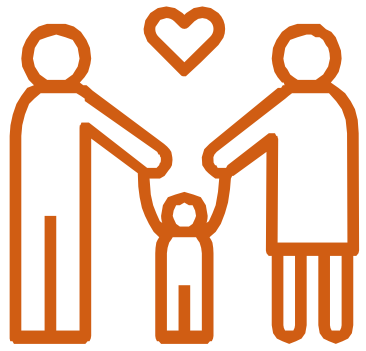
- **Types of Taxable Income**
- **Cash Flow vs Taxable Income**
- **Timing of Taxable Income**
- **Reducing Taxable Income**
- **Can I do it myself?**

(how many times can she say taxable income?)



Why the obsession about Taxable Income?





Ordinary Income



Investment Income



Minimizing Tax
Impact

Types of Taxable Income



Types of Taxable Income

- Ordinary Income
- Investment Income



Types of Taxable Income

Ordinary Income Tax Rates

2023 Tax Rates for 1040
Under TCJA

10%
12%
22%
24%
32%
35%
37%

2026 Income Tax Rates

10%
15%
25%
28%
33%
35%
39.6

Types of Taxable Income

Ordinary Income

- IRA
- 401(k)/403(b) withdrawals
- Pension
- Taxable portion of Annuity payments
- Up to 85% of Social Security
- Interest
- Deferred Compensation Payouts
- Rent/Royalties

Types of Taxable Income

Investment Income

- Short Term Capital Gains
- Long Term Capital Gains



Cash Flow vs. Taxable Income



Form 1040 Department of the Treasury - Internal Revenue Service 990 2020 OMB No. 1545-0047 IRS Use Only - Do not write or staple in this space.

Filing Status Single Married filing jointly Married filing separately (MFS) Head of household (HOH) Qualifying widow(er) (QW)

Check only if you checked the MFS box, enter the name of your spouse. If you checked the HOH or QW box, enter the child's name if the qualifying person is a child but not your dependent.

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, are contributing \$3 or more to a qualified campaign by checking a box below. If you are filing a joint return, check the "Spouse" box. 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: _____

At any time during 2020, did you receive, sell, send, exchange, or otherwise acquire any financial interest in any virtual currency? Yes No

Standard Deduction Someone can claim: You as a dependent Your spouse as a dependent Spouse itemizes on a separate return or you were a dual-status alien

Age/Blindness You: Were born before January 2, 1956 Are blind **Spouse:** Was born before January 2, 1956 Is blind

Dependents (See instructions.)

(1) First name	(2) Last name	(3) Social security number	(4) Relationship to you	(5) Credit for other dependents
				<input type="checkbox"/>
				<input type="checkbox"/>
				<input type="checkbox"/>

1	2a	2b	3a	3b	4a	4b	5a	5b	6a	6b	7	8	9	10a	10b	11	12	13	14	15	
Wages, salaries, tips, etc. Attach Form(s) W-2	Tax-exempt interest	Taxable interest	Qualified dividends	Ordinary dividends	IRA distributions	Taxable amount	Pensions and annuities	Taxable amount	Social security benefits	Taxable amount	Capital gain or (loss). Attach Schedule D if required. If not required, check box <input type="checkbox"/>	Other income from Schedule 1, line 9	Add lines 1, 2b, 3b, 4b, 5b, 6b, 7, and 8. This is your total income	From Schedule 1, line 22	Charitable contributions if you take the standard deduction. See instructions	Add lines 10a and 10b. These are your total adjustments to income	Subtract line 10c from line 9. This is your adjusted gross income	Standard deduction or itemized deductions (from Schedule A)	Qualified business income deduction. Attach Form 8995 or Form 8995-A	Add lines 12 and 13	Taxable income. Subtract line 14 from line 11. If zero or less, enter -0-

For Disclosure, Privacy Act, and Paperwork Reduction Act Notice, see separate instructions. Cat. No. 112020 Form 1040 (2020)



Cash Flow vs. Taxable Income

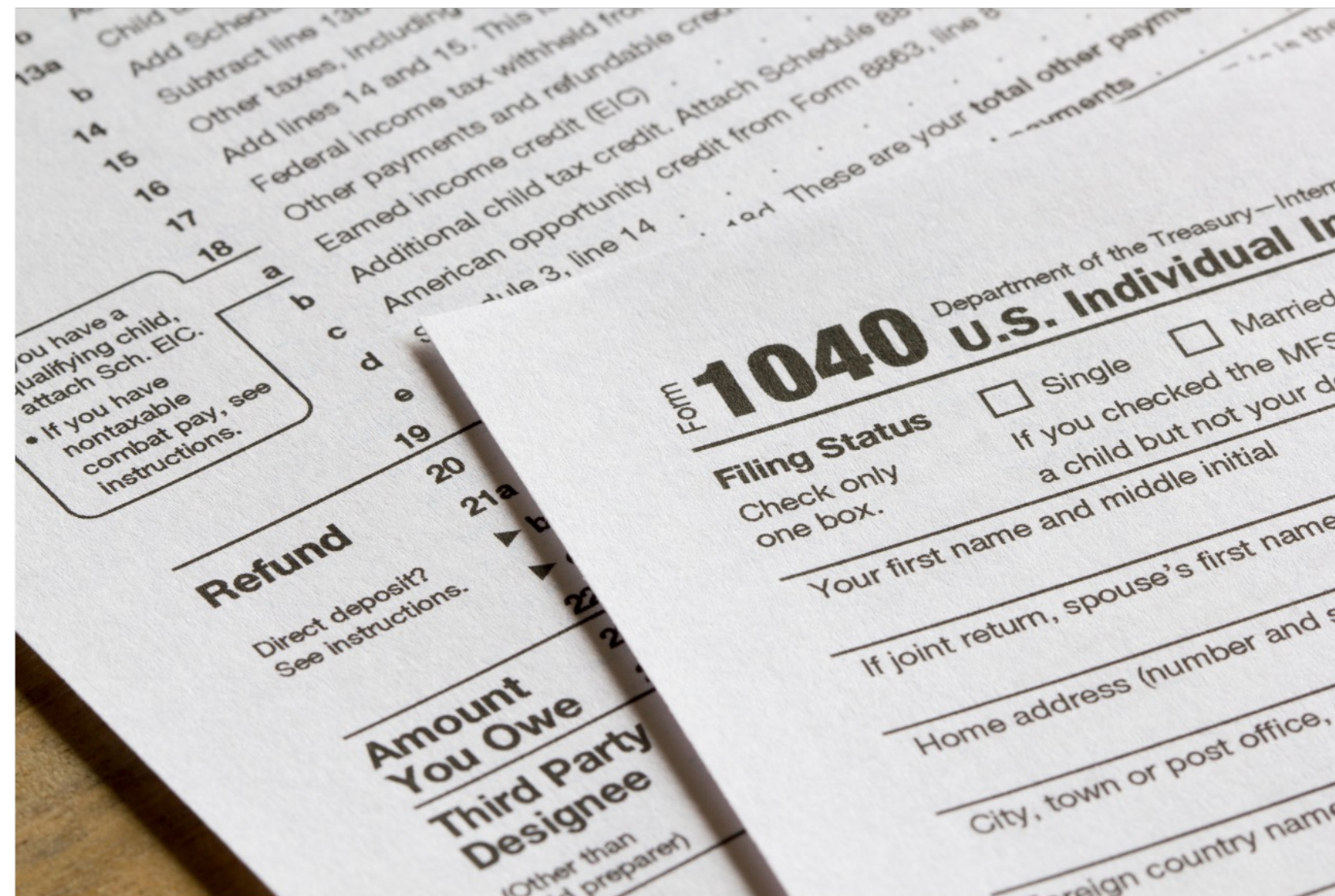
Cash Flow is the movement of money between accounts.

Examples:

- IRA distribution to joint investment account where it is invested
- IRA distribution to checking account for living expenses.

Cash Flow vs. Taxable Income

Taxable Income is listed on the Form 1040 and/or state income tax forms to be taxed according to applicable tax law



How can I pay less income taxes?



Timing of Taxable Income

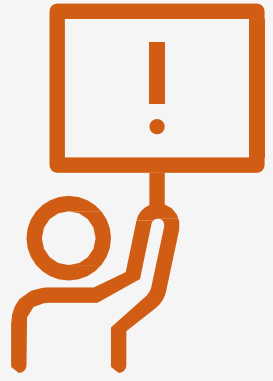
- Start withdrawing 401(k) or IRA prior to Required Minimum Distribution Age
- Convert Traditional/Rollover IRA to Roth IRA
- Delay Social Security
- Coordinate Pension start date with other income
- Time Capital Gains/Capital Loss Capture
- Delay or Accelerate Expenses for Rental Property

Reducing Taxable Income

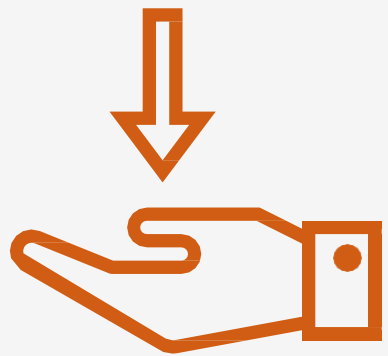
Charitable
Contributions

Gifting to loved
ones

Sale of primary
residence
exclusion

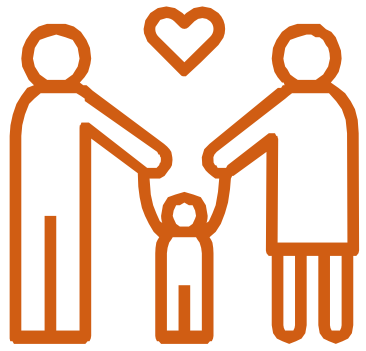


Working with Professionals



Doing it on your own





Review Types of Income



Plan Cash Flow and
Taxable Income
separately.
Reduce Income in higher
tax bracket years.

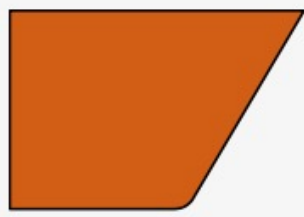


Follow your plan

What now?

PLANNING





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at the registration table

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