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E-WEALTH PARTNERS PRESENTS

# Social Security Strategies Workshop

HELPING YOU MAKE THE MOST OF YOUR BENEFITS & RETIREMENT PLAN

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*Not affiliated with the U.S. government or a governmental agency. This presentation has not been approved, endorsed, or authorized by the Social Security Administration.*



# What We'll Cover

**1** Introduction

**2** Social Security 101 — the basics on how your benefits work

**3** Social Security 201 — strategies to consider

**4** Immediate Impact — concepts to take home and steps to take action

# About Brian



**Brian Adamek**

Partner | Financial Planner  
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Brian founded E-Wealth Partners out of two deep passions: a relentless curiosity about improving people's financial lives and a love for building a business.

Today, Brian leads a growing team that serves business owners and their families — helping them align business decisions with personal and family priorities. With advanced expertise in financial planning, private wealth management, business valuation, and exit planning, he helps clients simplify complexity and build a roadmap that protects their family's future.

Brian spent over 15 years in tax preparation, starting at his dad's firm — giving him a deep, practical understanding of how finances work in the real world.

Outside of work, Brian and his wife Cassy are raising six energetic kids. He's a proud Saint John's University graduate, where he played on the 2003 DIII National Championship football team. Faith and family are his foundation.

# The E-Wealth Partners Team



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## SECTION ONE

# Social Security 101

*The basics on how your benefits work*



# How It All Began

## JANUARY 31, 1940

The first monthly retirement check was issued to **Ida May Fuller** of Ludlow, Vermont — for \$22.54. Miss Fuller, a legal secretary, retired in November 1939 and began collecting at age 65. She lived to be 100 years old, passing in 1975.

**\$24.75**

Total taxes she paid in

**\$22,888.92**

Lifetime benefits she collected

## WHO WAS COVERED

Monthly benefits began in January 1940, authorized not only for aged retired workers but also for their aged wives or widows, children under 18, and surviving aged parents.

## THE SMALLEST & LARGEST PAYMENTS

**Ernest Ackerman**, a retired Cleveland motorman, retired one day after the Social Security program began. During that single day of participation, a nickel was withheld from his pay — and upon retiring, he received a lump-sum payment of 17 cents. The average lump-sum payment during this period was \$58.06; the smallest ever paid was just 5 cents.

# How Social Security Is Funded

## THE PAYROLL TAX (FICA)

Social Security is funded by a tax on your wages. **6.2%** is withheld from your paycheck and your employer matches it with another **6.2%** — a rate that hasn't changed since 1990.

**12.4%**

Combined OASDI tax (you + employer)

**\$184,500**

2026 taxable wage base

## WHERE YOUR MONEY GOES

Your taxes aren't saved in a personal account. They flow into the **OASI and DI trust funds** and pay today's retirees, survivors, and people with disabilities — and tomorrow's workers will fund you.

## A FEW THINGS TO KNOW

Self-employed workers pay both halves themselves — the full **12.4%**. Medicare is separate: another 1.45% from you and 1.45% from your employer, with **no wage cap**, plus an extra 0.9% on high earners' wages.

# Will Social Security Go Broke?

*What the 2026 Trustees Report projects if Congress does nothing*

## THE DATE

# 2032

The retirement trust fund (OASI) runs out of reserves, late 2032.

## WHAT STILL GETS PAID

# 78%

Payroll taxes from today's workers would still cover about 78% of scheduled benefits.

## WHAT THAT MEANS

# -\$456/mo

A 22% cut to today's average \$2,071 monthly retirement check.

## WHAT "BROKE" DOES AND DOESN'T MEAN

- **Checks don't stop.** Benefits keep flowing from payroll taxes, just not at 100%.
- **Combining the trust funds buys 2 years.** Merging retirement and disability reserves pushes the date to 2034 (83% payable), but requires an act of Congress.
- **Congress has fixed this before.** The 1983 reforms raised payroll taxes and the retirement age months before reserves ran dry.

# How Could Congress Fix It?

*The options on the table come down to bringing in more money or paying out less*

## BRING IN MORE MONEY

- 1 Raise or remove the wage cap**  
Today only the first \$184,500 of wages is taxed for Social Security.
- 2 Raise the 12.4% payroll tax**  
The combined rate hasn't changed since 1990.
- 3 Add new revenue sources**  
Tax investment income or transfer general funds into the trust funds.

## PAY OUT LESS

- 1 Raise the full retirement age**  
Phase FRA up from 67 to 68 or 69 for younger workers.
- 2 Slow cost-of-living raises**  
Tie COLAs to a slower-growing inflation measure (chained CPI).
- 3 Trim benefits for higher earners**  
Lower the formula at the top while protecting lower earners.

**The size of the gap:** closing it today would take a 4.42-point payroll tax increase or a 22% benefit cut, so most plans mix both.

# How Your Benefit Is Calculated

Three steps turn your earnings record into your full retirement age benefit

## STEP 1

### Take your highest 35 years

- Past earnings are indexed for wage growth.
- **Fewer than 35 years?** Each missing year counts as a \$0.
- Only wages up to the cap count (\$184,500 in 2026).



## STEP 2

### Average them into a monthly figure

- Total of those 35 years ÷ 420 months.
- The result is your Average Indexed Monthly Earnings (AIME).



## STEP 3

### Apply the benefit formula

**90%** of the first \$1,286

**32%** from \$1,286 to \$7,749

**15%** above \$7,749

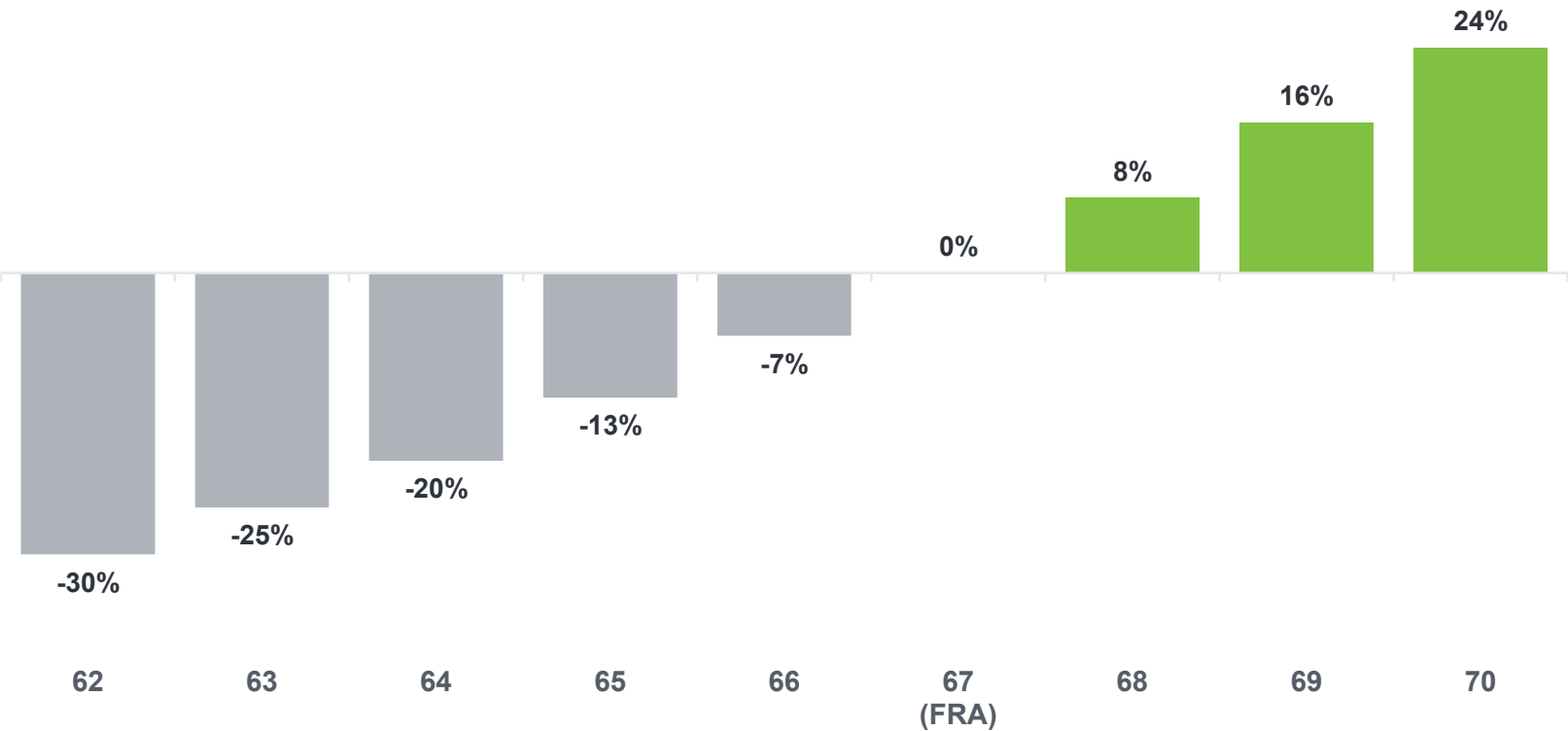
*of your AIME = your benefit at FRA (PIA)*

### EXAMPLE: AIME OF \$6,000

$$90\% \times \$1,286 = \$1,157 + 32\% \times \$4,714 = \$1,508 = \mathbf{\$2,665/mo \text{ at full retirement age}}$$

The formula replaces a bigger share of pay for lower earners, so an extra year of work adds the most when it replaces a \$0 year.

# Collecting Early vs. Collecting Late



YOUR FULL RETIREMENT AGE (FRA)

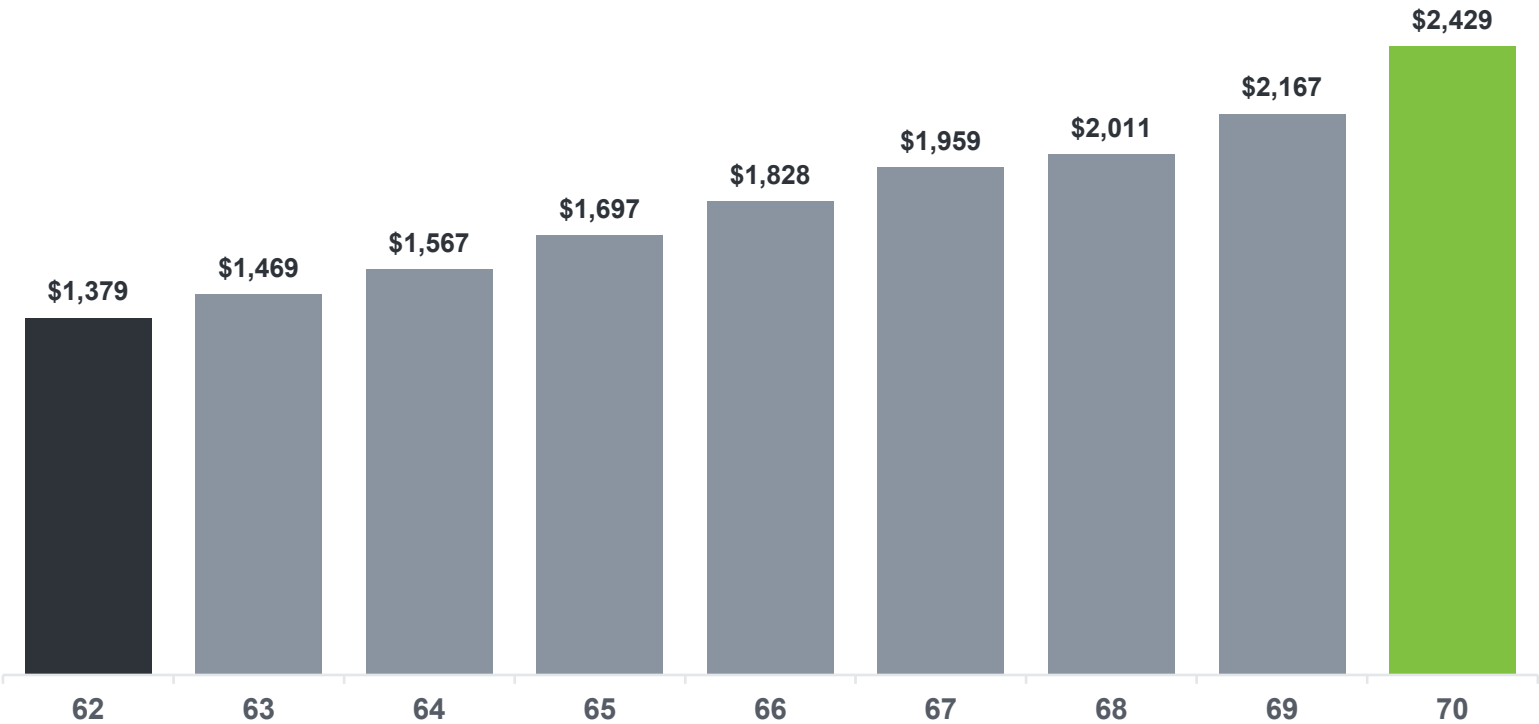
- 65** Born 1937 or earlier
- 66** Born 1943 – 1954
- 67** Born 1960 or later

Filing before FRA permanently reduces your benefit. Filing after FRA (up to age 70) permanently increases it.



# Your Benefit Grows the Longer You Wait

A sample statement's personalized monthly benefit estimate, by starting age



Example used as illustration only; actual results will vary.

## EVERY YEAR COUNTS

Each year you wait between 62 and 70 permanently raises your monthly check.

After full retirement age, delayed credits add 8% a year until 70. After 70, there is nothing more to gain by waiting.

**\$1,050/mo**

the gap between filing at 62 vs. waiting to 70 in this example

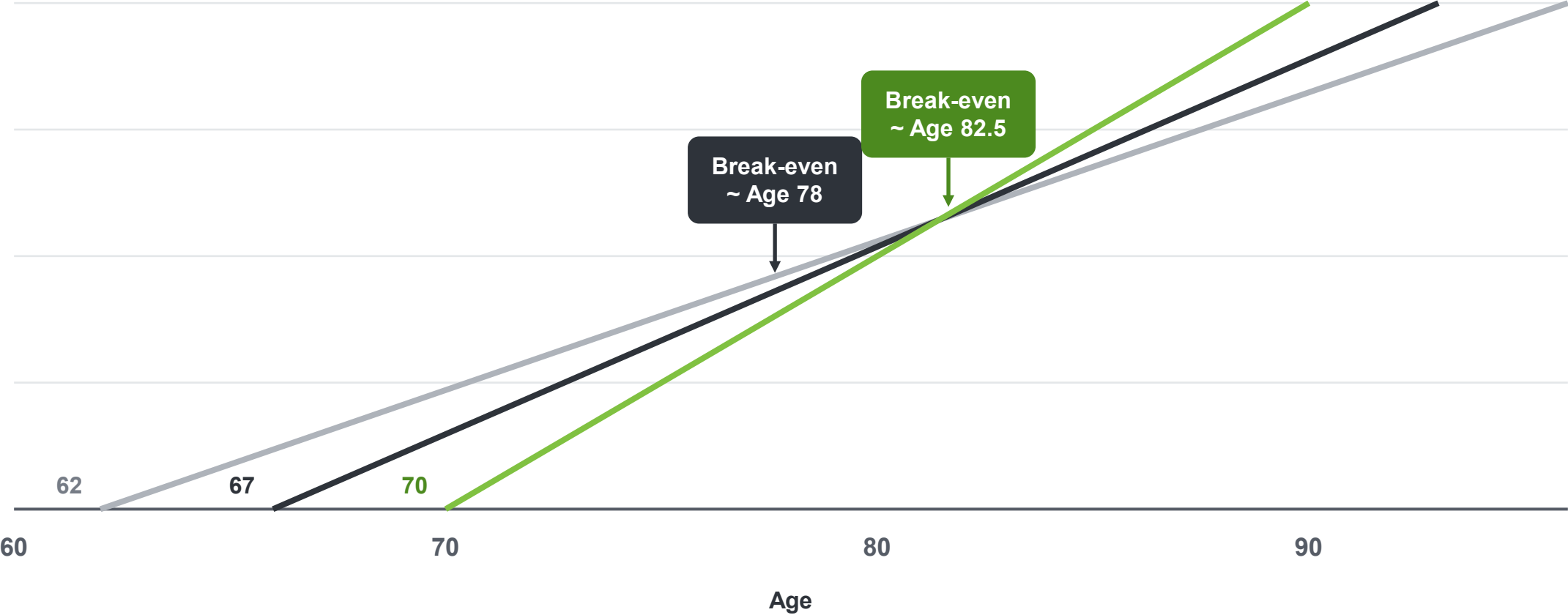
# The FRA Phase-In: 1954–1960

*Full retirement age rises two months per birth year until it reaches 67*

| Birth Year      | Full Retirement Age (FRA) |
|-----------------|---------------------------|
| 1954 or earlier | 66                        |
| 1955            | 66 and 2 months           |
| 1956            | 66 and 4 months           |
| 1957            | 66 and 6 months           |
| 1958            | 66 and 8 months           |
| 1959            | 66 and 10 months          |
| 1960 or later   | 67                        |

# A Question of Longevity

Break-even analysis: comparing lifetime cash flow by filing age



This is a hypothetical example provided for illustrative purposes only; it does not represent a real-life scenario and should not be construed as advice designed to meet the particular needs of an individual's situation.

# Continuing to Work While Collecting

2026 Retirement Earnings Limit

| Your Age Compared to FRA       | 2026 Limit      | What Happens Above the Limit                                                            |
|--------------------------------|-----------------|-----------------------------------------------------------------------------------------|
| Under FRA                      | \$24,480 / year | \$1 of benefits withheld per \$2 earned above the limit                                 |
| Year you reach FRA             | \$65,160 / year | \$1 of benefits withheld per \$3 earned above the limit, for months before reaching FRA |
| Month you reach FRA and beyond | No limit        | No penalty                                                                              |

- Applies to any retirement benefits collected before FRA.
- The earnings limit looks at wages only.

# What Counts as Earnings?

*Only pay from work counts toward the earnings limit*

## COUNTS TOWARD THE LIMIT

- ✓ Wages from a job (gross, before 401(k) deferrals)
- ✓ Net earnings from self-employment
- ✓ Bonuses and commissions earned this year
- ✓ Part-time, seasonal or consulting pay

## DOESN'T COUNT

- ✗ Pensions and annuities
- ✗ IRA and 401(k) withdrawals
- ✗ Interest, dividends and capital gains
- ✗ Rental income (unless it's your business)
- ✗ Severance or unused vacation from a past job
- ✗ Social Security, VA and other government benefits

**Rule of thumb:** money you earn by working counts. Money your savings or past work pays you doesn't.

# Earnings Test Example: Working at 63

Example: collecting \$2,500/month at 63 while earning \$10,000 over the 2026 limit

THIS YEAR, AGE 63

|                       |            |
|-----------------------|------------|
| Earnings from work    | \$34,480   |
| 2026 earnings limit   | – \$24,480 |
| Amount over the limit | \$10,000   |

\$1 withheld for every \$2 over **\$5,000**

What happens

SSA holds back the January and February checks (2 × \$2,500 = \$5,000). Checks resume in full in March.



AT FULL RETIREMENT AGE, 67

The 2 withheld months are credited back

SSA recalculates your benefit as if you had started 2 months later, so your early-filing reduction shrinks from 25% to about 24.2%.

**\$2,500**  
monthly check before

**\$2,528**  
monthly check from 67, for life

**The \$5,000 isn't lost.** It's paid back through the higher check, which takes about 15 years at \$28 more per month.

Hypothetical example for illustration only. Assumes FRA of 67 and a \$3,333 FRA benefit claimed at 63 (25% reduction). SSA withholds whole monthly checks until the amount due is covered; COLAs not shown.



# Can I Change My Mind?

**Yes — it's called a Withdrawal of Application. It's a one-time “do-over” if you filed early and then returned to work.**

**1**

## **You repay everything received**

You must repay all benefits paid to date — including any family benefits paid on your work record.

**2**

## **Reapply as if it's your first time**

Once approved, your application is withdrawn entirely, and you can file again later on more favorable terms.

**3**

## **A narrow window**

The request must be made within 12 months of when you first started collecting.

**4**

## **Once per lifetime**

The Social Security Administration allows only one withdrawal of application per person, ever.

# Backdating Your Claim After 67

**File after your Full Retirement Age (67) and you can request up to 6 months of benefits paid retroactively — in a single lump sum.**

**1**

## Only after FRA

Backdating isn't available before 67. The retroactive period can never start earlier than the month you reached Full Retirement Age.

**2**

## Six months, at most

The lump sum covers up to 6 months — or back to your FRA, whichever is shorter. You must be 6+ months past 67 for the full six.

**3**

## Your monthly check drops

Benefits are recalculated as if you filed 6 months earlier, giving back the delayed credits you earned by waiting.

**4**

## Taxed all at once

The whole lump sum is taxable in the year you receive it, which can raise your bracket or your Medicare (IRMAA) costs.

# Holding Your Filing Date

**A single call or online contact can lock in your filing date — protecting your start month while you finish the paperwork.**

**1****What it is**

Tell SSA — in writing or by phone — that you intend to file, and that day becomes your protective filing date, before the full application is done.

**2****Why it matters**

Your start month and any retroactive benefits are set by that earlier date, not the day you finally submit everything.

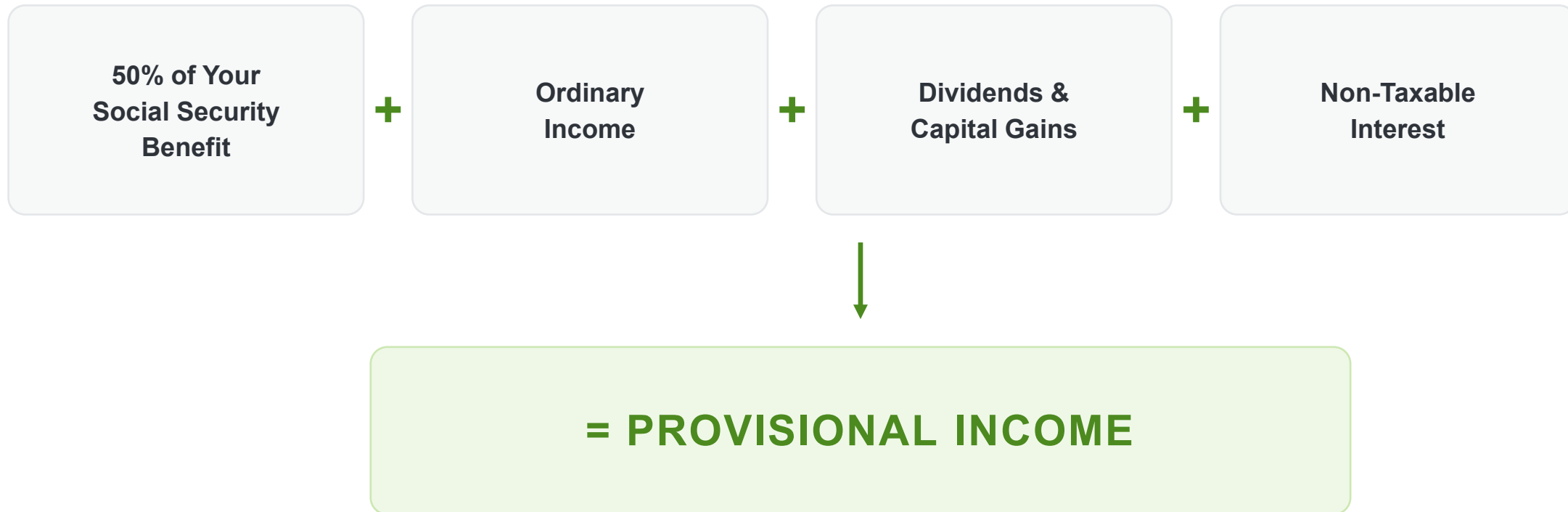
**3****How to set it**

A call, an online form, or a signed note of intent all count. Ask the representative to record the date.

**4****Don't let it lapse**

You generally have 6 months to complete and sign the real application, or the protected date is lost.

# Social Security Is Taxed Based on Your Other Income



*This is the number the IRS uses to decide how much of your Social Security benefit — if any — becomes taxable.*

# Benefits Tax Thresholds

## SINGLE FILER

1

**\$25,000**

up to 50% taxable

**\$34,000**

up to 85% taxable

## MARRIED FILING JOINTLY

2

**\$32,000**

up to 50% taxable

**\$44,000**

up to 85% taxable

# Tax Examples

Same \$60,000 household income — a different mix of dollars

## \$40,000 Social Security + \$20,000 IRA Withdrawal

Provisional Income: \$40,000

- $\$40,000 - \$32,000 = \$8,000$
- $\$8,000 \times 50\% = \$4,000$
- \$0 over the second threshold

**\$4,000 taxable (10% of benefit)**

## \$20,000 Social Security + \$40,000 IRA Withdrawal

Provisional Income: \$50,000

- $\$18,000 \times 50\% = \$9,000$
- $\$6,000 \times 35\% = \$2,100$
- $\$9,000 + \$2,100 = \$11,100$

**\$11,100 taxable (55% of benefit)**

The characters in this example are fictional only. Your actual experience will vary. This hypothetical example is shown for illustrative purposes only and is not guaranteed.

# On The Return

|                                                | \$20k IRA / \$40k Social Security | \$40k IRA / \$20k Social Security |
|------------------------------------------------|-----------------------------------|-----------------------------------|
| Taxable Social Security                        | \$4,000                           | \$11,100                          |
| Taxable Other Income                           | \$20,000                          | \$40,000                          |
| Total Taxable Income                           | \$24,000                          | \$51,100                          |
| Minus Standard Deduction & Personal Exemptions | \$27,000                          | \$27,000                          |
| Net Taxable Income                             | \$0                               | \$24,100                          |
| Total Federal Income Tax                       | \$0                               | \$2,559                           |

Same \$60,000 of income. A \$2,559 tax difference — just from which pocket the money comes out of.

Table assumes Married Filing Jointly, 2018 tax brackets, and the standard deduction plus additional deductions for those over 65. The characters in this example are fictional only; your actual experience will vary.



# How Minnesota Taxes Social Security

2026 Minnesota Social Security subtraction, based on your federal adjusted gross income (AGI)

## SINGLE OR HEAD OF HOUSEHOLD

1

**Below \$86,410**

No Minnesota tax on your benefit

**\$86,410 – \$126,410**

Tax-free share shrinks 10% per \$4,000 of AGI

**Above \$126,410**

The full federally taxable amount is taxed by Minnesota

## MARRIED FILING JOINTLY

2

**Below \$110,780**

No Minnesota tax on your benefit

**\$110,780 – \$150,780**

Tax-free share shrinks 10% per \$4,000 of AGI

**Above \$150,780**

The full federally taxable amount is taxed by Minnesota

Minnesota starts from the federally taxable portion of your benefit. An alternative method, similar to pre-2023 rules, can give a larger subtraction for some higher-income filers.

# IRMAA: Higher Income, Higher Premiums

IRMAA stands for “Income-Related Monthly Adjustment Amount”

IRMAA is a surcharge on your Medicare Part B & D premiums for higher earners — based on your tax return from two years ago (2026 premiums use 2024 income). It is a cliff: one dollar over a line moves you to the next tier for the entire year.

| Income — Single (2024) | Income — Joint (2024) | Total Part B / mo | Part D add-on / mo |
|------------------------|-----------------------|-------------------|--------------------|
| \$109,000 or less      | \$218,000 or less     | \$202.90          | —                  |
| \$109k – \$137k        | \$218k – \$274k       | \$284.10          | +\$14.50           |
| \$137k – \$171k        | \$274k – \$342k       | \$405.80          | +\$37.50           |
| \$171k – \$205k        | \$342k – \$410k       | \$527.50          | +\$60.40           |
| \$205k – \$500k        | \$410k – \$750k       | \$649.20          | +\$83.30           |
| \$500,000+             | \$750,000+            | \$689.90          | +\$91.00           |

# The New Senior Bonus Deduction

## THE BONUS DEDUCTION • 2025–2028

The One Big Beautiful Bill created a temporary extra deduction for anyone **65 or older** — stacked on top of the standard deduction and the existing senior add-on.

**\$6,000**

Per person age 65+

**\$12,000**

Married couple, both 65+

## WHO QUALIFIES

You must be 65 by year-end. It applies whether you itemize or take the standard deduction, for tax years **2025 through 2028**.

## THE FINE PRINT

The deduction phases out above **\$75,000 of income (\$150,000 married)** and disappears entirely at \$175,000 (\$250,000 married). It lowers your taxable income — but it does **not** make Social Security tax-free.

SECTION TWO

# Social Security 201

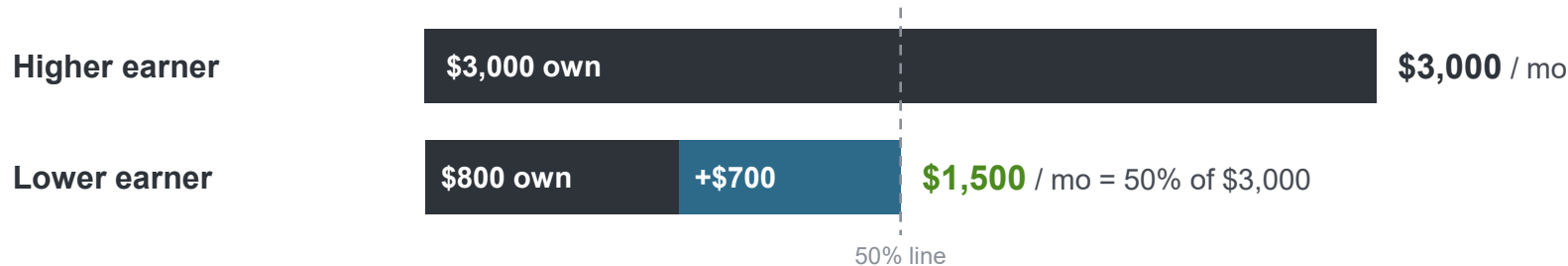
*Strategies to consider*

# Spousal Benefits — How They Work

## THE FORMULA



## EXAMPLE: BOTH SPOUSES CLAIM AT FULL RETIREMENT AGE (FRA)



- SSA pays your own benefit first. **The top-up fills the gap** up to half of your spouse's full benefit.
- If your own benefit is already above 50%, **you get no top-up**. You receive your own benefit only.
- The 50% is based on your spouse's **full benefit at FRA**, no matter when your spouse claims.

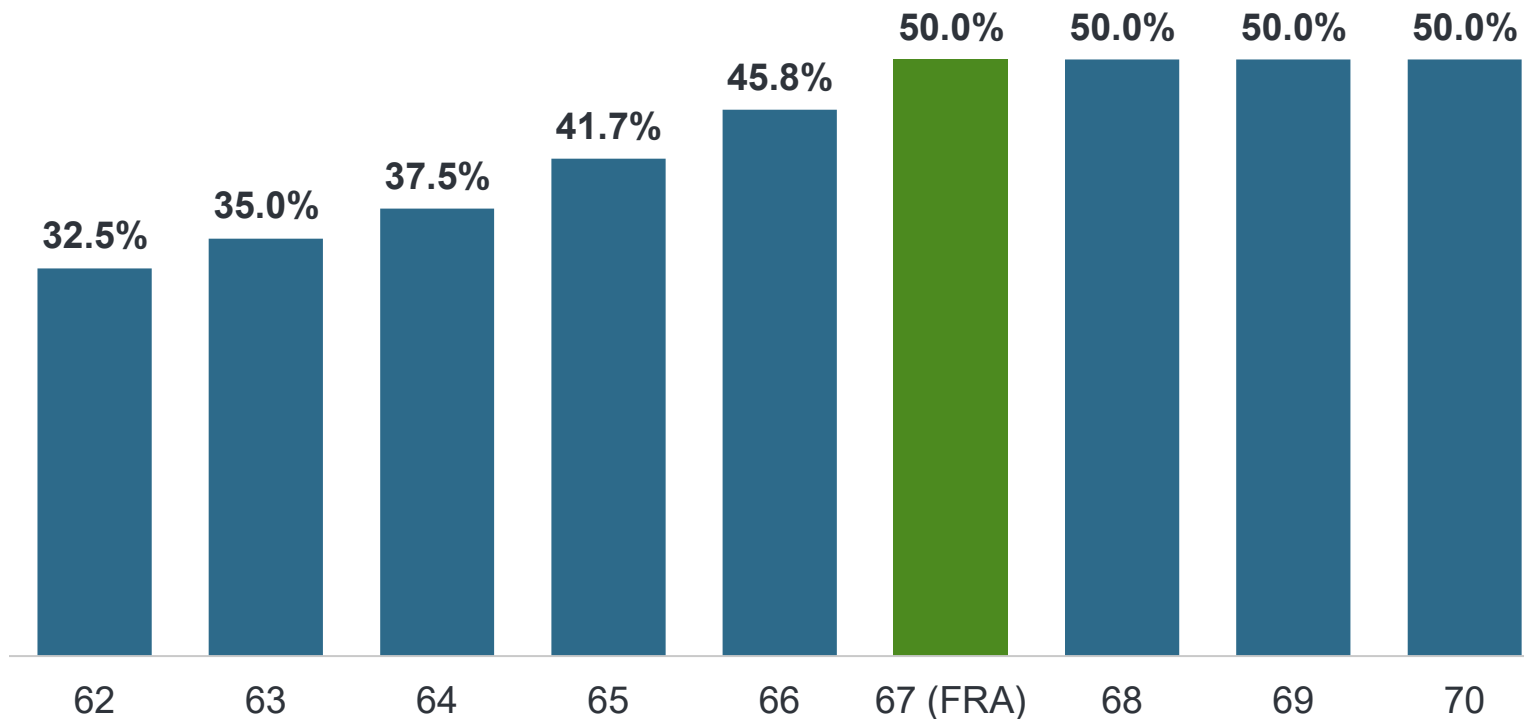
## Who Qualifies

- ✓ Married at least **1 year**
- ✓ Your spouse has **already filed** for their own benefit
- ✓ You are **62 or older**, or caring for your spouse's child under 16
- ✓ Divorced? Marriage lasted **10+ years** and you are unmarried
- ✓ Filing for one benefit **files for both**: SSA pays the higher total

*Hypothetical example for illustration only; your actual benefits will vary. "Files for both" (deemed filing) applies to anyone born on or after January 2, 1954.  
Source: Social Security Administration, "Benefits for Spouses" (ssa.gov).*

# Spousal Benefits — When to Claim

SPOUSAL BENEFIT AS A % OF YOUR SPOUSE'S FULL BENEFIT, BY YOUR CLAIMING AGE



## What Your Claiming Age Changes

- ✓ Claiming before FRA **permanently reduces** the spousal benefit, to as low as 32.5% at 62
- ✓ Waiting past FRA **adds nothing**. Delayed credits apply only to your own benefit
- ✓ The spousal benefit **can't start** until your spouse files
- ✓ Your spouse delaying to 70 **doesn't raise your spousal benefit**, but it does raise your survivor benefit

Assumes a full retirement age (FRA) of 67, which applies to anyone born in 1960 or later. The spousal benefit is reduced 25/36 of 1% per month for up to 36 months before FRA, and 5/12 of 1% for each additional month.  
Source: Social Security Administration, "Benefits for Spouses" ([ssa.gov](https://www.ssa.gov)).

# Spousal Benefits — Claiming Strategies for Couples

## FOUR WAYS COUPLES COORDINATE THEIR CLAIMS

1

### Higher earner waits to 70

Their benefit grows 8% a year after FRA, and the larger check continues to whichever spouse lives longer.

#### BEST WHEN

**At least one spouse is likely to live into their late 80s.**

2

### Lower earner starts their own benefit early

Collect a reduced own benefit from 62 for income now. The spousal top-up is added once the higher earner files.

#### BEST WHEN

**The couple needs income before age 70.**

3

### Lower earner claims spousal by FRA

The spousal benefit stops growing at FRA, so waiting longer only gives up monthly checks.

#### BEST WHEN

**The spousal benefit would exceed their own.**

4

### Both delay when benefits are close

With similar earnings, the top-up is small or zero, so each spouse builds their own benefit instead.

#### BEST WHEN

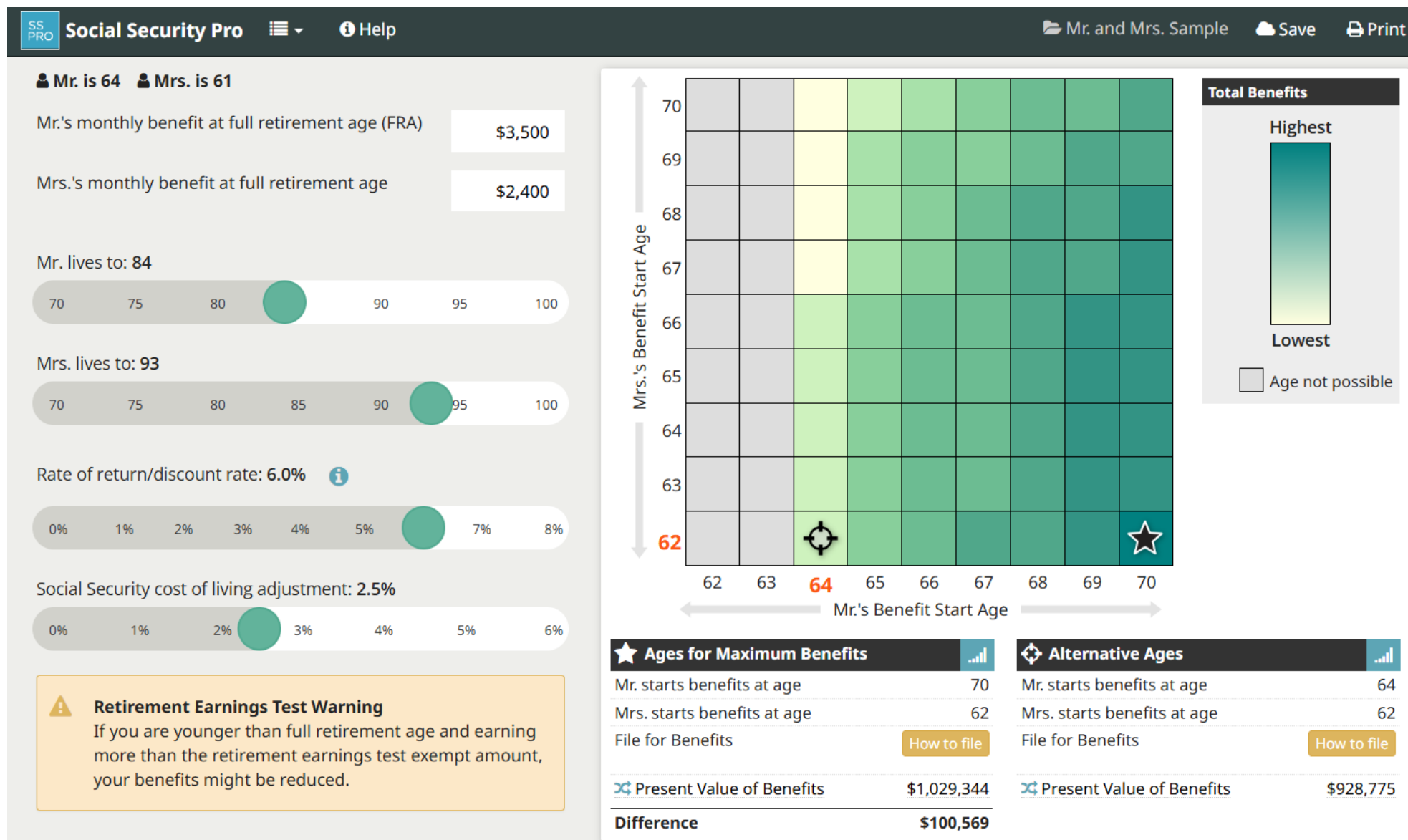
**Both are healthy and savings can cover the years before 70.**

**The biggest decision is usually when the higher earner claims:** each year of delay after FRA adds 8% to their benefit and to the survivor benefit.

*Restricted application (collecting only a spousal benefit while your own grows) is available only to people born before January 2, 1954; file-and-suspend ended in 2016. For illustration only; the right strategy depends on your health, income needs and other assets.*

*Source: Social Security Administration, "Benefits for Spouses" and "Delayed Retirement Credits" (ssa.gov).*

# Social Security Analysis Tool



# Additional Beneficiaries — Divorced Spouse

## Spousal Benefits

- ✓ Married to ex-spouse for 10+ years
- ✓ Unmarried
- ✓ Both are at least age 62
- ✓ Divorced for at least 2 years\*

## Survivor Benefits

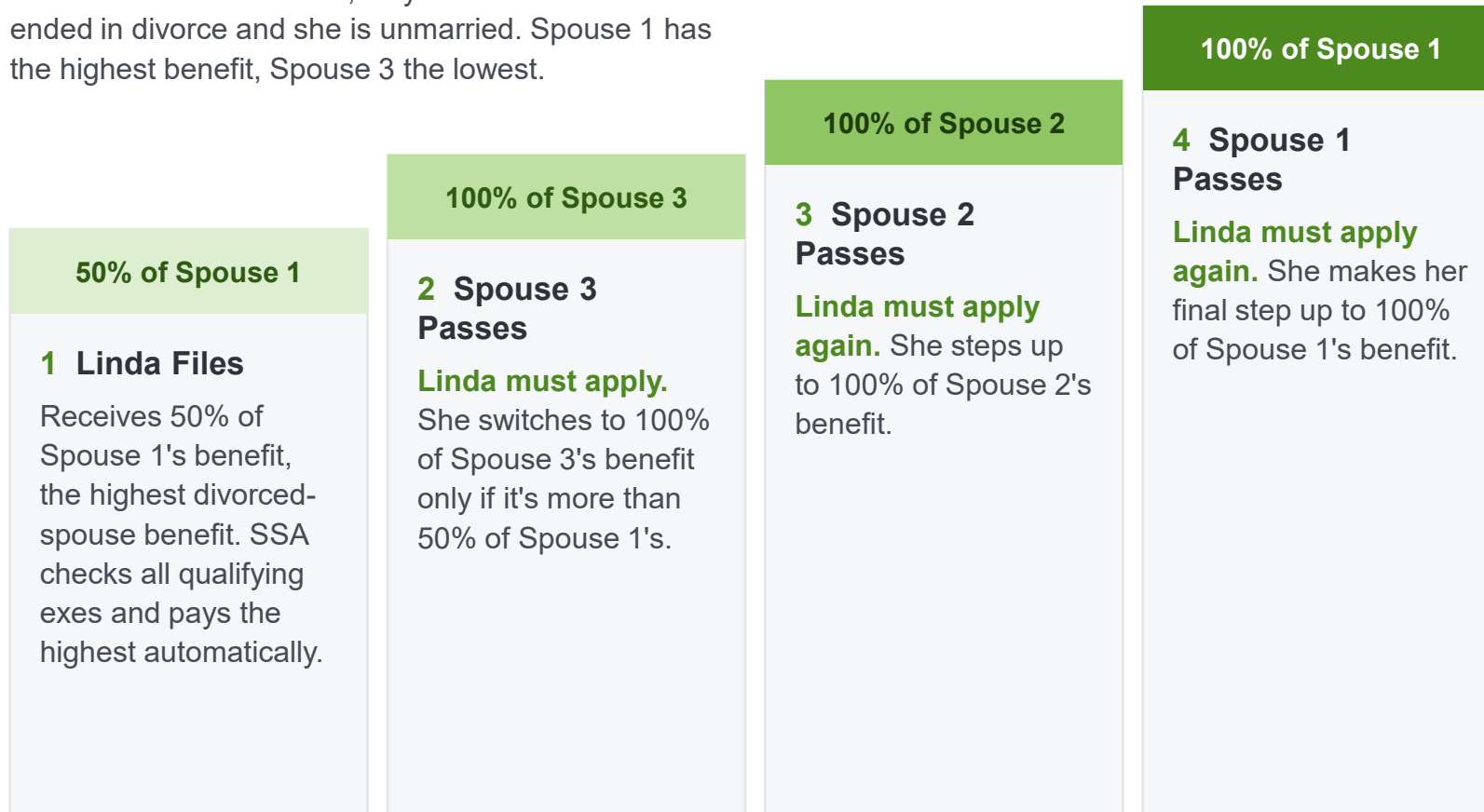
- ✓ Married to deceased ex-spouse for 10+ years
- ✓ Unmarried, or married after age 60
- ✓ At least age 60

*\*The 2-year rule does not apply if the individual was eligible for spousal benefits at the time of divorce.*

# Social Security for Multiple Ex-Spouses: How Benefits Step Up

## THE SCENARIO

Linda married three times, 11 years each. All three ended in divorce and she is unmarried. Spouse 1 has the highest benefit, Spouse 3 the lowest.

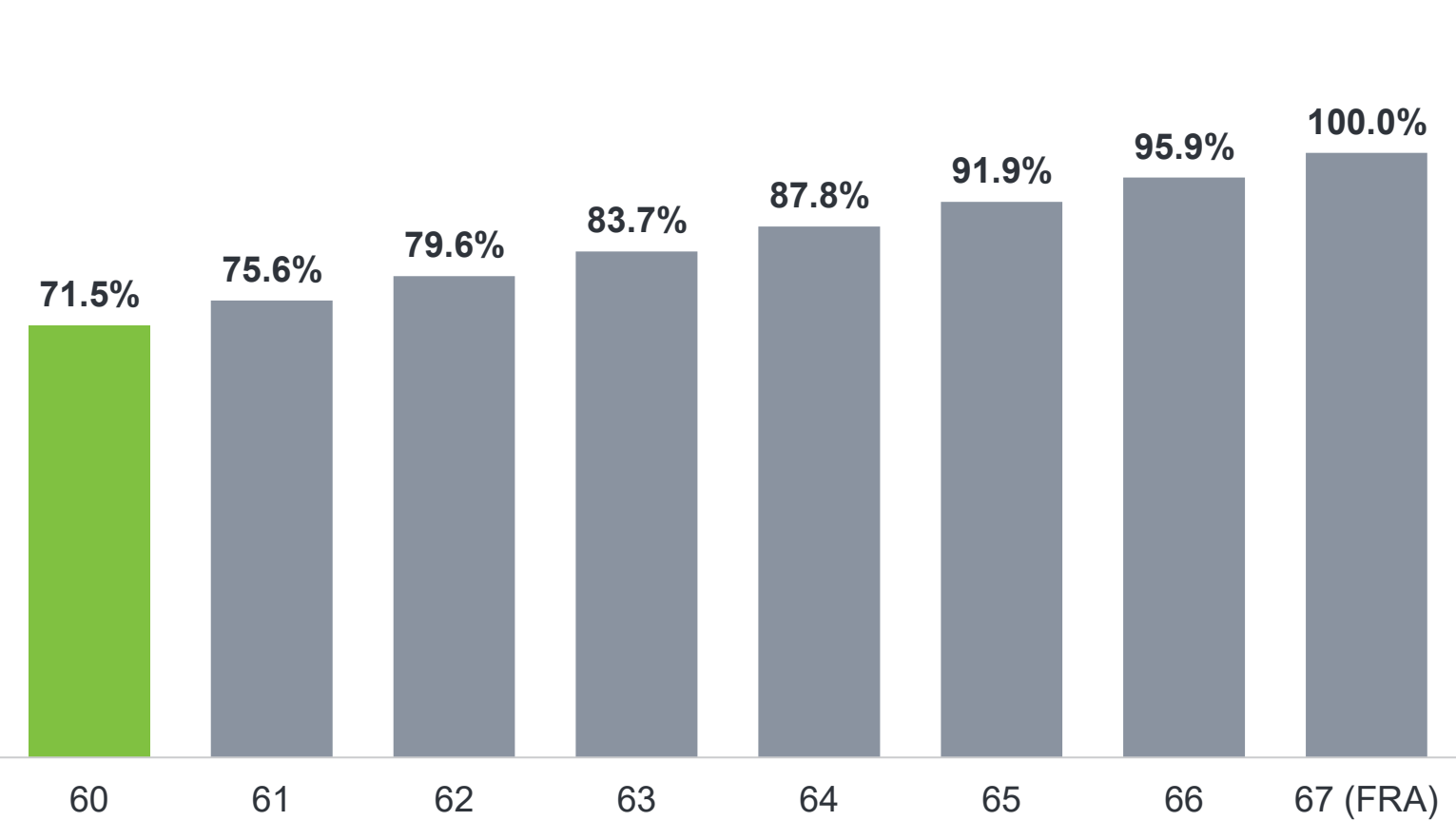


## Key Rules

- ✓ Each marriage lasted **10+ years**, and Linda is currently unmarried
- ✓ Remarrying **before 60** normally blocks survivor benefits; eligibility returns once that later marriage ends
- ✓ She receives only **one benefit at a time**: whichever is highest
- ✓ Survivor switches are **not automatic**: she must file after each death (retroactivity is limited)

# Survivor Benefits Can Start at 60

Survivor benefit as a % of your late spouse's benefit, by the age you start



Assumes a survivor full retirement age of 67 (born 1962 or later). Remarrying after 60 does not end survivor benefits.

## HOW IT WORKS

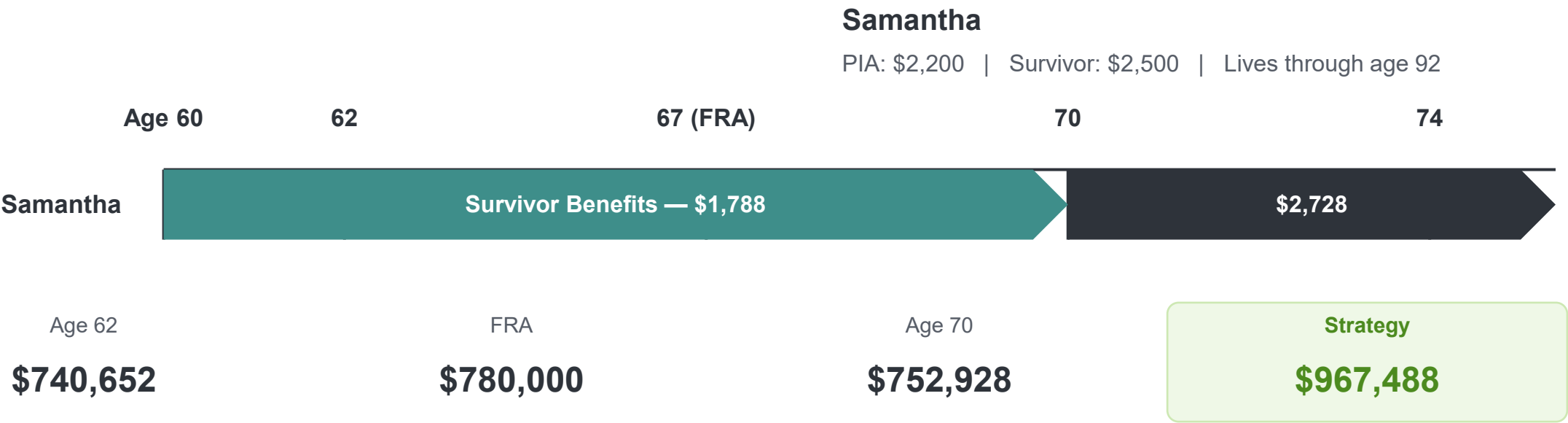
A widow or widower can start survivor benefits at 60 (50 if disabled), at a permanently reduced amount.

Survivor and retirement benefits are separate: start one early and switch to the other later.

**100%**

of your spouse's benefit if you wait to your survivor FRA, including any delayed credits they earned

# Widow — Significant Individual Benefits



At 70, Samantha switches to her own retirement benefit of \$2,728/month. The characters in this example are fictional only. Your actual experience will vary. This hypothetical example is shown for illustrative purposes only and is not guaranteed.

# The Widow's Tax

|                      | MARRIED FILING JOINT |         | FILING SINGLE |
|----------------------|----------------------|---------|---------------|
| Source (Monthly)     | Husband              | Wife    |               |
| Social Security      | \$2,000              | \$1,000 |               |
| Pension              | \$3,000              | \$0     |               |
| IRA                  | \$2,000              | \$0     |               |
| Total Income         | \$96,000             |         |               |
| Total Tax            | \$7,462              |         |               |
| Tax Rate (Effective) | 7.77%                |         |               |

What happens to the Widow's tax bracket when she becomes a single filer?

# The Widow's Tax

|                      | MARRIED FILING JOINT |         | WIDOW                  |
|----------------------|----------------------|---------|------------------------|
| Source (Monthly)     | Husband              | Wife    | Widow                  |
| Social Security      | \$2,000              | \$1,000 | \$2,000                |
| Pension              | \$3,000              | \$0     | \$1,500 (50% survivor) |
| IRA                  | \$2,000              | \$0     | \$4,500                |
| Total Income         | \$96,000             |         | \$96,000               |
| Total Tax            | \$7,462              |         | \$13,628               |
| Tax Rate (Effective) | 7.77%                |         | 14.20%                 |

Increase in Effective Tax Rate: 82.75%

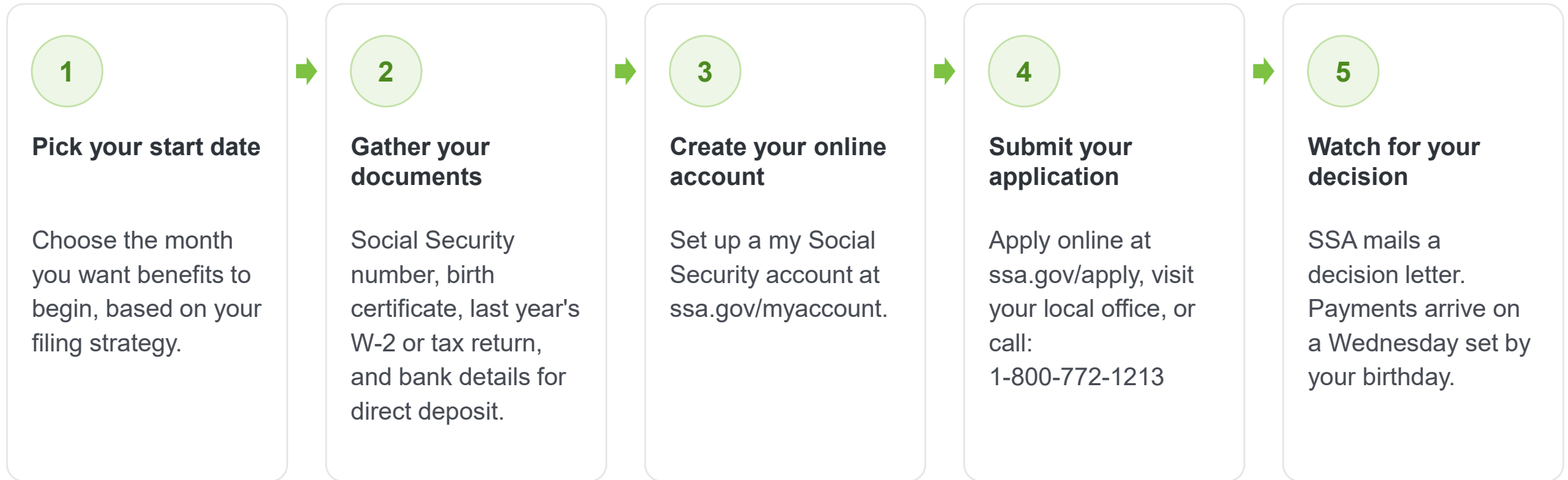
## CHECKPOINT #2

- 1 Do you know if you're entitled to a spousal benefit or not? Y / N
- 2 Have you decided on the best time to collect your benefit(s), both by the numbers and your retirement goals? Y / N
- 3 Have you factored longevity into your retirement income calculations based on your Social Security benefit and retirement accounts? Y / N
- 4 Have you ensured your filing decision doesn't interfere with current tax planning opportunities in your retirement accounts? Y / N
- 5 If you were told you had to file for your benefit(s) today, would you feel prepared? Y / N

"YES" SCORE: \_\_\_\_ / 5

TOTAL CHECKPOINT #1 & #2: \_\_\_\_ / 10

# How to Apply for Social Security



**Apply up to 4 months before you want benefits to begin**

A QUICK DETOUR

# Know Your Money

*Understanding pre-tax, after-tax, and tax-free dollars*

# Three Types of Money

*Every dollar you own falls into one of three tax buckets*

## PRE-TAX

**401(k) / IRA**

## AFTER-TAX

**NQ Investment (e.g. “ABC  
Stock”)**

## TAX-FREE

**Roth IRA**

# Three Types of Money

...and each bucket is taxed differently when you take money out

## PRE-TAX

### 401(k) / IRA

#### ORDINARY INCOME

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

*\*7 tax brackets*

## AFTER-TAX

### NQ Investment (e.g. “ABC Stock”)

#### L.T. CAPITAL GAINS

0 / 15 / 20%

*\*3 tax brackets*

## TAX-FREE

### Roth IRA

#### TAX-FREE

# Three Types of Money

...but only one of the three lets you harvest a loss

## PRE-TAX

### 401(k) / IRA

#### ORDINARY INCOME

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

*\*7 tax brackets*

If you have a loss:

**LOSE**

## AFTER-TAX

### NQ Investment (e.g. “ABC Stock”)

#### L.T. CAPITAL GAINS

0 / 15 / 20%

*\*3 tax brackets*

If you have a loss:

**LOSE**

✓ TAX-LOSS HARVESTING

## TAX-FREE

### Roth IRA

#### TAX-FREE

If you have a loss:

**LOSE**

# Three Types of Money

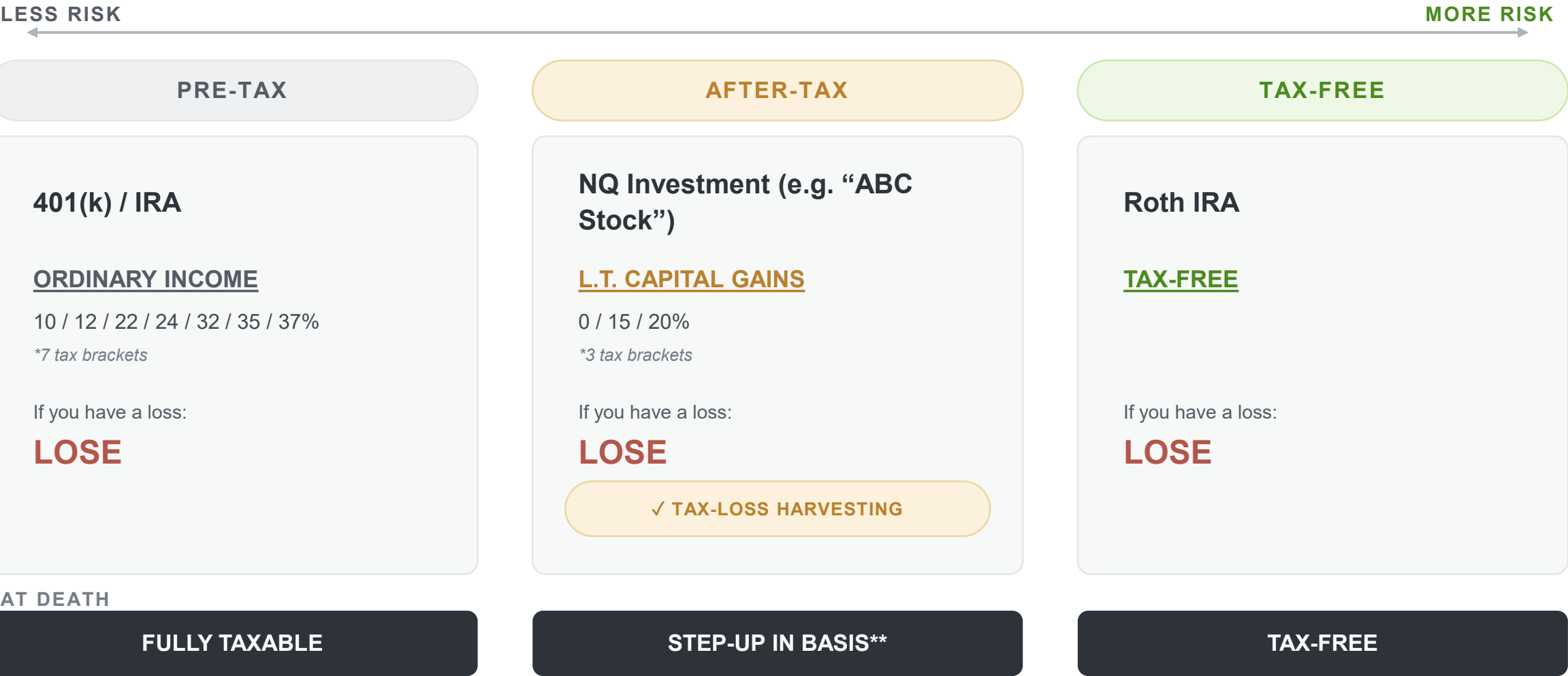
...and it matters even more when the money passes to your heirs

| PRE-TAX                                                                                                                                                                                                                              | AFTER-TAX                                                                                                                                                                                                                                                | TAX-FREE                                                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| <div>401(k) / IRA</div> <div><u>ORDINARY INCOME</u></div> <div>10 / 12 / 22 / 24 / 32 / 35 / 37%</div> <div><i>*7 tax brackets</i></div> <div>If you have a loss:</div> <div>LOSE</div> <div>AT DEATH</div> <div>FULLY TAXABLE</div> | <div>NQ Investment (e.g. “ABC Stock”)</div> <div><u>L.T. CAPITAL GAINS</u></div> <div>0 / 15 / 20%</div> <div><i>*3 tax brackets</i></div> <div>If you have a loss:</div> <div>LOSE</div> <div>✓ TAX-LOSS HARVESTING</div> <div>STEP-UP IN BASIS**</div> | <div>Roth IRA</div> <div><u>TAX-FREE</u></div> <div>If you have a loss:</div> <div>LOSE</div> <div>TAX-FREE</div> |

 \*\*A step-up in basis resets the cost basis of non-qualified assets to fair market value at death. Consult a qualified tax professional regarding your situation.

# Three Types of Money

...which should shape how much risk you take in each bucket



 \*\*A step-up in basis resets the cost basis of non-qualified assets to fair market value at death. Consult a qualified tax professional regarding your situation.

# 2026 Federal Income Tax Brackets

Ordinary income tax rates and thresholds for the 2026 tax year

| Tax Rate | Single Filers         | Married Filing Jointly |
|----------|-----------------------|------------------------|
| 10%      | \$0 – \$12,400        | \$0 – \$24,800         |
| 12%      | \$12,400 – \$50,400   | \$24,800 – \$100,800   |
| 22%      | \$50,400 – \$105,700  | \$100,800 – \$211,400  |
| 24%      | \$105,700 – \$201,775 | \$211,400 – \$403,550  |
| 32%      | \$201,775 – \$256,225 | \$403,550 – \$512,450  |
| 35%      | \$256,225 – \$640,600 | \$512,450 – \$768,700  |
| 37%      | \$640,600+            | \$768,700+             |

# Same Net — But One Stays Tax-Free

How \$100,000 plays out over 10 years, at an assumed 25% tax rate

|                            | START                                           | CONVERT?                                          | AFTER 10 YEARS                                    | NET AFTER TAX                                           |
|----------------------------|-------------------------------------------------|---------------------------------------------------|---------------------------------------------------|---------------------------------------------------------|
| Traditional IRA<br>DEFER   | <div><b>\$100,000</b><br/>Pre-tax balance</div> | <div>Stay deferred<br/>No tax paid today</div>    | <div><b>\$200,000</b><br/>Doubles in 10 yrs</div> | <div><b>\$150,000</b><br/>- 25% tax at withdrawal</div> |
| Roth Conversion<br>CONVERT | <div><b>\$100,000</b><br/>Pre-tax balance</div> | <div><b>\$75,000</b><br/>- 25% tax paid now</div> | <div><b>\$150,000</b><br/>Doubles in 10 yrs</div> | <div><b>\$150,000</b><br/>Tax-free — \$0 owed</div>     |

**\$150,000 = \$150,000**

Identical net today — but the Roth grows and is withdrawn tax-free, with no future tax-rate risk.

# When to Consider a Roth Conversion

*Turning tax-deferred savings into tax-free income*

## WHEN IT MAKES SENSE

- ✓ You're in a **lower tax bracket today** than you expect to be in retirement.
- ✓ The “**gap years**” — retired, but before RMDs (73) and Social Security begin.
- ✓ A **market dip** lets you convert more shares at a temporarily lower value.
- ✓ You can **pay the tax from outside funds**, not the IRA itself.
- ✓ You want to **reduce future RMDs** and leave a tax-free legacy to heirs.

## WHY IT PAYS OFF

### Tax-Free Growth

Qualified withdrawals — including all future growth — come out completely tax-free.

### No Lifetime RMDs

Roth IRAs have no required minimum distributions, so your money keeps compounding.

### A Hedge on Tax Rates

Pay a known rate now instead of betting on what brackets look like decades from now.

### Tax-Free Inheritance

Heirs receive Roth assets income-tax-free — a powerful estate-planning tool.

# Qualified Charitable Distributions

*A direct IRA-to-charity transfer that never counts as income*

## THE RULES

|                     |             |
|---------------------|-------------|
| Eligible at age     | 70½         |
| Annual limit (2026) | \$115,000   |
| Counts toward RMD   | Yes         |
| Must go directly to | A 501(c)(3) |

The check must go **straight from the custodian** to the charity — never through your hands. Donor-advised funds don't qualify.

## WHY IT BEATS WRITING A CHECK

- ✓ **Lowers Your AGI**  
The distribution is excluded entirely — better than a deduction.
- ✓ **Works Without Itemizing**  
You get the full benefit even when taking the standard deduction.
- ✓ **Satisfies Your RMD**  
Give the dollars you're required to take anyway.
- ✓ **Protects Other Thresholds**  
A lower AGI can ease Medicare IRMAA surcharges and the taxation of Social Security.

# The Big Beautiful Bill: Who Benefits?

*Three new deductions from the 2025 tax law — and who they help most*

## SALT DEDUCTION

**\$40,400**

State & local tax cap

Raised from \$10,000

Phase-out over \$500K MAGI

Expires after 2029

## EXTRA 65+ DEDUCTION

**\$6,000 / \$12,000**

Single / married, age 65+

Phase-out \$75K / \$150K MAGI

Tax years 2025–2028

## ABOVE-THE-LINE CHARITABLE

**\$1,000 / \$2,000**

Single / married

Deduct without itemizing

Starts 2026, permanent

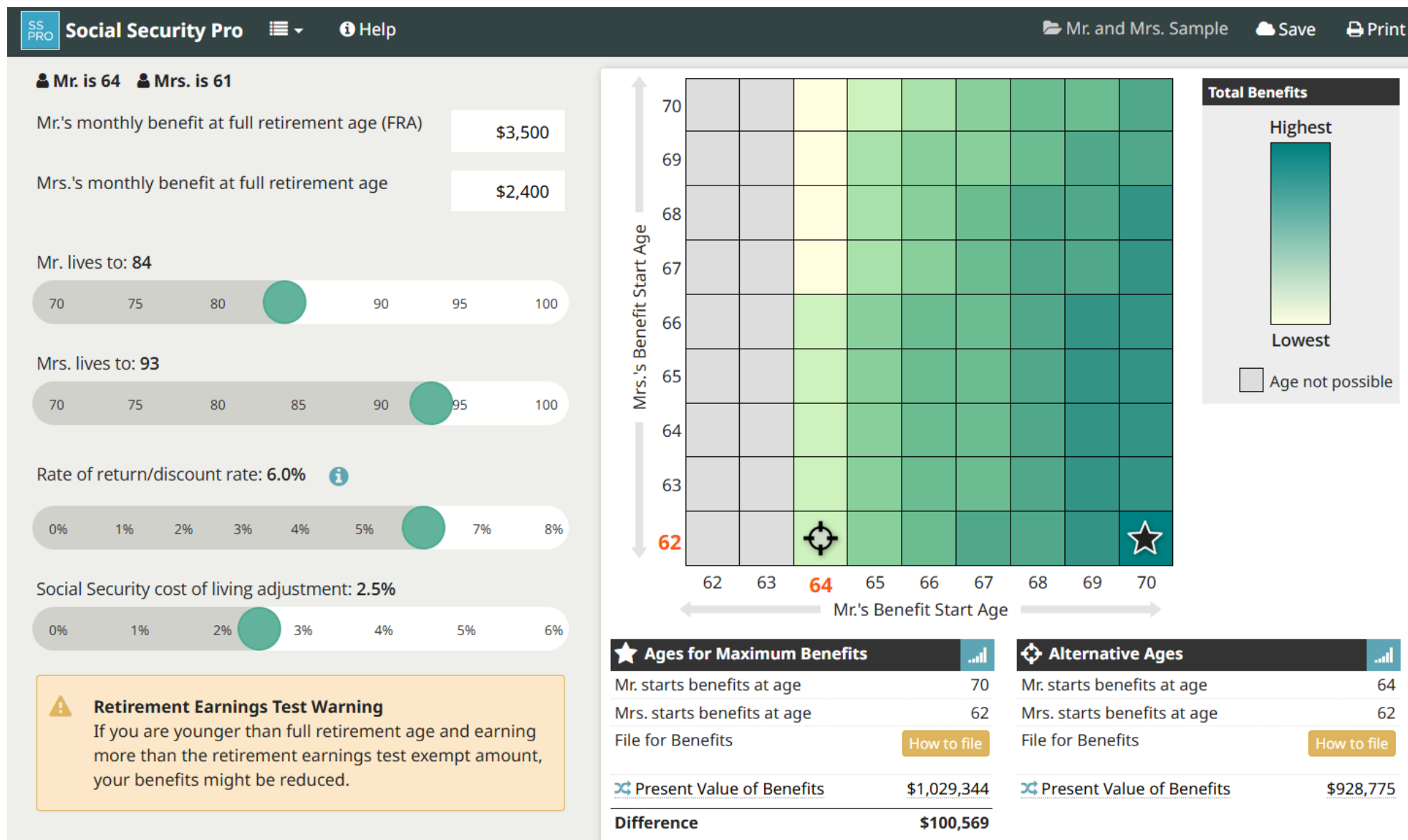
**Who benefits most:** households that give to charity, higher earners in high-tax states, and seniors 65+ with moderate income.

## CHECKPOINT #1

- 1 Have you reviewed your earnings record and Social Security statement in the past 12 months? Y / N
- 2 Have you calculated the break-even analysis for you (and your spouse) with your specific numbers? Y / N
- 3 Do you fully understand the pros and cons of collecting early vs. late? Y / N
- 4 Have you calculated your take-home pay from Social Security after healthcare and income taxes? Y / N
- 5 Have you made sure your retirement investments outside of Social Security are prepared to supplement any chance of a future Social Security reduction? Y / N

**“YES” SCORE: \_\_\_\_ / 5**

# Social Security Analysis Tool



## NEXT STEPS

# Your Complimentary Social Security Visit

**Schedule using the sign-up sheet at your table tonight!**

**Personalized Social Security  
Report**

**Impact Analysis of Filing  
Decisions**

**Confidence in Your Path  
Forward**

“

***We teach our clients how to save and spend their money — so that the next 10 years can be the best 10 years.***



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