

## PARTICIPANT CORNER

# Tax Tips to Maximize Retirement Savings

A close-up photograph of a person's hands using a blue calculator on a desk. The person is wearing a blue button-down shirt. There are several papers, including what looks like a spreadsheet or financial document, and a notebook with a pink pen on the desk. The background is a wooden surface.

Retirement marks a significant milestone in life, yet taxes remain a constant concern. If you've followed the advice of retirement planners, you're likely saving in tax-advantaged retirement accounts, deferring taxes until retirement withdrawals. However, taxes on other income sources, such as Social Security, pensions, and part-time work earnings, can still pose challenges. Given these factors, crafting a tailored retirement income plan is prudent.

Determining when to begin taking Social Security benefits is a crucial decision. Delaying withdrawals until age 70 increases benefits, but keep in mind that if your annual income exceeds \$34,000, you may owe taxes on a substantial portion of your Social Security income—up to 85%.

Understanding your retirement tax bracket is essential. While your bracket may decrease, monitor income from sources like Social Security, pensions, and annuities, along with withdrawal amounts, to prevent unintentionally entering a higher bracket.

Establishing a withdrawal sequence is vital. Typically, follow this order:

1. Start with the required minimum distributions (RMDs) from retirement accounts, as they're obligatory.
2. Progress to taxable accounts, managing them carefully due to tax implications.
3. Then access tax-deferred retirement accounts (e.g., IRAs, 401(k)s, 403(b)s), acknowledging the associated income tax implications before touching Roth accounts.
4. Finally, withdraw from tax-exempt retirement accounts like Roth IRAs or 401(k)s. Prioritizing these accounts permits penalty-free withdrawals and facilitates estate planning.

Navigating these complexities can be daunting; consulting a tax professional can provide personalized guidance. This allows for the evaluation of various strategies to minimize taxes on savings and benefits, tailored to your unique financial circumstances.

**For more information on retirement planning, please contact Fiduciary Pension Partners at (833) FPP- 401k or email us at [info@fiduciarypp.com](mailto:info@fiduciarypp.com).**

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